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## **THESIS**

**DISMANTLING THE AFGHAN OPIATE ECONOMY:  
A CULTURAL AND HISTORICAL POLICY ASSESSMENT,  
WITH POLICY RECOMMENDATIONS**

by

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HISTORICAL POLICY ASSESSMENT, WITH POLICY RECOMMENDATIONS**

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requirements for the degree of

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## ABSTRACT

This thesis applies lessons drawn from a historical-cultural analysis of rural power structures in Afghanistan to understand the nature of the threat posed by that country's opiate economy and to assess the counter-narcotics policies of the United Kingdom, the Government(s) of Afghanistan, and the United States. It argues that the opiate economy should be considered an Afghan-specific problem involving narcotics, not a "drug war" problem involving Afghanistan. Specific lessons are taken from a chapter dedicated to Afghan culture, history, and rural power structures, and applied in chapters analyzing the opiate economy and current counter-narcotics policies. Several insights that are critical to sound policy, and that are not found in existing literature, are developed. Overall, the current policy emphasis on aggressive eradication of opium poppy is incongruent with local cultural and political realities and undermines central government stability. Counter-narcotics policy makers should adopt a roll-back strategy, eliminating cultivation from minor-cultivation provinces first for democratic-governance, cultural, and counter-narcotics reasons. Counter-trafficking should be prioritized over eradication efforts and should particularly target anti-government forces, many of which are legacy groups of the anti-Soviet *jihad* and are not accountable to or culturally integral to rural society.

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## **I. INTRODUCTION**

The opiate economy in Afghanistan is a threat to the establishment of a stable central Afghan government, which is a primary strategic goal of the U.S.-led Global War on Terrorism. This thesis analyzes the Afghan opiate economy and the counter-narcotics policy development of Afghanistan, the United Kingdom as lead nation for Coalition counter-narcotics policy, and the United States, through an Afghan cultural, historic, and rural power structure lens. A historically and culturally nuanced understanding of the opiate economy and how it interacts with local power structures provides new insights into the true nature and potential of this illicit economy which go beyond what previous studies have provided, and establishes a means to assess what is both right and wrong with the current Coalition approach to confronting the Afghan opiate economy. The findings developed through this analysis demonstrate that some aspects of the current counter-narcotics efforts in Afghanistan are jeopardizing the stabilization goal both through acts of commission and omission, and that a revised approach is required.

### **A. IMPORTANCE TO U.S. POLICY**

The terrorist attacks of September 11, 2001, demonstrate the imperative of addressing problems created by weak or non-existent governance in areas exploited by global terrorist groups. Denying a safe haven to Al Qaeda in Afghanistan is the primary motivation for America to work diligently to strengthen the nascent Afghan central government, yet threats to government stability and effectiveness still exist and are gathering strength. In the past three years, opium cultivation and trafficking have spread to every province within Afghanistan. In 2004, by United Nations Office on Drugs and Crime (UNODC) estimates, Afghanistan produced its largest-ever opium poppy crop. It covered 2.9 percent of active Afghan farmland and produced 4,200 metric tons of opium, or 87 percent of world supply. This crop was worth U.S. \$2.8 billion dollars in export value as it crossed Afghanistan's borders (if it was not stockpiled locally for future sale), a figure equal to 60 percent of Afghanistan's licit 2003 GDP. Roughly 356,000 farm families, about 2.3 million people or 14 percent of Afghanistan's rural population,

depended on income from opium poppy cultivation to meet their daily needs. At least another 500,000 earned income from work as itinerant farm labor, trafficking, and associated activity.

Although opium poppy was grown in every province, cultivation was highly concentrated in historically-involved provinces and sparsely practiced elsewhere. The percentage of the provincial populations dependent on the opiate economy for their livelihood vary from a few percent (single digits) to over 80% in some provinces where cultivation has been prevalent for over two decades. These populations are at risk to become beholden to criminal and warlord (Non-traditional Commander) elements which control the opiate economy. Non-traditional Commanders in particular use the power to capture rural power structures and coerce opium cultivation derived from this illicit economy to thwart central governance. Rolling back and extinguishing the threat posed by the opiate economy is an imperative to the American national security goal of effective Afghan governance, but short-term and tactical wins against the opiate economy must not supplant our focus on and be pursued at the expense of central government stabilization. In particular, it must be carried out in a way that reinforces central government authority in rural areas and it cannot drive rural residents into the arms of Non-traditional Commander groups. A lack of central government jurisdiction creates a fertile environment for Al Qaeda to take up residence and pursue its international terrorism goals.

## **B. COUNTERNARCOTICS POLICY AND THREATS TO GOVERNANCE**

Especially since 9/11, U.S. policymakers have highlighted the role that large illicit drug economies play in undermining government stability, both through corruption and, in many cases throughout the world, by funding anti-government insurgencies. Given the seriousness of this threat, the counter-narcotics policy community often advocates aggressive programs intended to stamp out these illicit economies through decisive and immediate action.<sup>1</sup> Unfortunately, although a concern for government stability provides the overwhelming impetus for aggressive counter-narcotics action, this concern recedes to the background when counter-narcotics policies are being conceptualized and

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<sup>1</sup> See Chapter IV for an extensive review of policy documents and statements promoting this viewpoint.

implemented. Policymakers largely ignore the case-specific ways in which the drug economies interact with local politics and culture to affect central government stability, and, as a result, advocate policies that tend to exacerbate government instability. What develops is an unwavering dedication to the chosen counter-narcotics policy *path*, at the expense of the true goals of government stabilization (which is necessary to enforce drug laws) and tailoring policies to achieve real and lasting reductions in illicit drug economies. Since the chosen “path” to success is assumed to be the solution without regard for local circumstance, the same counter-narcotics policies are applied across the world.

The counter-narcotics policy community’s faith in crop eradication is one example of this policy phenomenon, and arguments in support of eradication range from claims that denying the market of a “full” supply will increase costs of the final product and therefore reduce demand (which assumes production levels cannot not adjust to make up for losses—a false assumption for most cases), to claims that eradication can deter farmers from future cultivation (an argument which I debunk in this thesis, *at least within the situational context of Afghanistan*).<sup>2</sup> The costs of the eradication approach are especially high when an anti-government insurgency is involved in the drug economy.<sup>3</sup> This conclusion is supported by studies of how coca eradication has strengthened South American insurgencies, and it is further supported in this thesis. Crop eradication amounts to a government attack on the populace, which at the least fuels bitter anti-government sentiment and can drive the populace to support an insurgency which offers them protection from government attacks on their livelihood.

These facts do not change the counter-narcotics policy community’s stance on eradication. Where cultivation takes place on very large scales and in difficult-to-access areas (due to terrain or security), aerial eradication is the policy community’s chosen

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<sup>2</sup> See United States Department of State, *International Narcotics Control Strategy Report 2005, vol I, Drug and Chemical Control*, (Washington, D.C.: State Department, March 2005), 13 – 15, 268 – 269, <http://www.state.gov/g/inl/rls/nrcrpt/2005/vol1/html/42366.htm> (accessed 27 May 2005); Robert B. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, testimony before the United States House Committee on Government Reform Subcommittee on Criminal Justice, Drug Policy, and Human Resources, 01 April 2004, <http://www.state.gov/p/inl/rls/rm/31039.htm>, (accessed 02 September 2005). Additional sources are found in Chapter IV.

<sup>3</sup> One of the most cogent arguments supporting this conclusion is presented by Vanda Felbab-Brown, *The Coca Connection: The Impacts of Illicit Substances on Militarized Conflicts*, p. 36 – 49, Massachusetts Institute of Technology, April 2004.

solution, and it has been strongly advocated for use in Afghanistan. A casual review of Afghan history would indicate that the rural population's experience with aviation and agriculture is comprised wholly of the Soviet use of attack helicopters to destroy farming infrastructure and communities; using herbicides which will destroy licit and illicit crops indiscriminately, and potentially cause health problems in farming communities, will not be interpreted as being significantly different than the razed earth approach applied by the Soviets during the first half of their war in Afghanistan. The presence of some Alternative Livelihood and other infrastructure development programs, which are being used in Afghanistan, could not possibly offset the predictable emotional response to aerial eradication.

To date, many of the critiques of counter-narcotics policy in Afghanistan build on primarily an humanitarian or market-based logic. These critics decry the current policy focus on eradication and claim that it unnecessarily hurts poor farmers and does nothing to solve demand for opiate products. They advocate focusing much more on Alternative Livelihood development programs and other means of assisting the rural poor, but largely fail to consider the many other ways in which counter-narcotics policies undermine central government stability. What is needed for Afghan counter-narcotics policy is a situational-specific analysis of the opiate economy and the policies which are being used to confront it.

This failure to apply an Afghanistan-specific context has begun to be corrected by the United Nations Office on Drugs and Crime, the World Bank, and only rarely elsewhere.<sup>4</sup> The World Bank in particular has paid attention to the connections between “warlord” anti-government interest and the trafficking portion of the opiate economy.

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<sup>4</sup> See World Bank Poverty Reduction and Economic Management Sector Unit, South Asia Region, *Afghanistan: State Building, Sustaining Growth, and Reducing Poverty--A Country Economic Report*, (Report No. 29551-AF, 09 September 2004), 87; United Nations Office on Drugs and Crime (UNODC), *The Opium Economy in Afghanistan 2003*, (UNODC, 2003), [http://www.unodc.org/pdf/publications/afg\\_opium\\_economy\\_www.pdf](http://www.unodc.org/pdf/publications/afg_opium_economy_www.pdf) (accessed 09 June 2005); United Nations Office on Drugs and Crime, *Afghanistan Opium Survey 2004*, (UNODC, Vienna: November 2004), [http://www.unodc.org/pdf/afg/afghanistan\\_opium\\_survey\\_2004.pdf](http://www.unodc.org/pdf/afg/afghanistan_opium_survey_2004.pdf), 71, (accessed 30 November 2004). See also Barnett Rubin, *Road to Ruin: Afghanistan's Booming Opium Industry*, New York: New York University Center on International Cooperation, 2004; Barnett Rubin, Humayun Hamidzda and Abby Stoddard, *Afghanistan 2005 and Beyond: Prospects for Improved Stability Reference Document*, New York University Center on International Cooperation, 2005, for the Clingendael Netherlands Institute of International Relations. Additional sources noted in Chapters II and III.

This study builds on this nascent interest in how culture and local power structures affect the opiate economy and central governance, but goes beyond it by providing a more comprehensive and historically grounded assessment of these factors. On the basis of this analysis, it also provides a more wide-ranging critique of current policy than either international institution is inclined to provide.

### **C. FINDINGS AND LINES OF ARGUMENT**

A central argument of this thesis is that at every step in the development and implementation of counter-narcotics policy, the goal of government stability must come before and above any arbitrary counter-narcotics achievement standards. Government stability and true success in rolling back the opiate economy will take many years to achieve; shifting policy focus to grasp short-term “wins” risks ultimate failure in stability and in counter-narcotics. The primary lesson drawn from the cultural analysis is that we are confronting an Afghan problem involving narcotics, not a drug war problem involving Afghanistan. The approach to understanding the problem and the recommended policies must not merely be taken in boiler-plate fashion from counter-narcotics efforts in other regions of the world and applied to Afghanistan. To do so risks destabilizing the Afghan central government.

Chapter II develops important historical, cultural, and rural power structure insights which interact with the opiate economy and must be accounted for in counter-narcotics policy. Importantly, the Afghan central government and essentially all rural groups have existed with minimal interaction. Rural social groupings traditionally hold the central government in contempt, and strive to maintain their autonomy from government authority. For over a hundred years, the central government has gradually attempted to move itself from the periphery of society to the center. Success was achieved when the shift was gradual, but attempts at rapidly transforming state-society relations have resulted in the two anti-government revolutions experienced in Afghanistan. The second of these was the anti-communist revolution which began in 1978, and resulted ultimately in civil war lasting until the fall of the Taliban in 2001. During those two-plus decades of conflict, the opiate economy expanded and entrenched itself in the social fabric of much of the country. Now, with international assistance, the Afghan government must assert its authority in an unprecedented manner to change the

daily practices of much of the rural social structure by displacing the opiate economy which supports much of the rural society. This must be done carefully and patiently.

The rise of the opiate economy was not the only change in the rural social structure induced by the anti-Soviet *jihad* and the subsequent factional fighting. The rise of Non-traditional Commanders, typically known as warlords, has introduced a fundamental challenge to Afghan society, and they are intimately connected to the opiate economy. Prior to the anti-Soviet *jihad*, rural fighting units in Afghanistan typically resembled small militia units consisting of a few dozen fighters who were led by a local village leader and were economically dependent on their rural village group. With the advent of massive international funding to the *mujahidin*, fighting organizations developed to encompass several thousand men under arms who were independent from the economic capacity of rural social groupings. These organizations began even during the anti-Soviet *jihad* to utilize the separate international funding stream of opiate trafficking income, and the opiate economy has sustained many of them since. The economic model in Afghanistan which functioned during the anti-Soviet *jihad* consisted of two parts. The first is a rentier state in the traditional sense, in which the central government receives extensive external funding which allows it to function largely independently of its populace. The second part of the economic model is a parallel international funding stream going to rural-based anti-government forces, on which they are largely dependent, and which provides them significant capacity in their anti-government activities. I term this economic model a bifurcated rentier economy.<sup>5</sup>

The thesis demonstrates that the opiate economy funds some of the same Non-traditional Commander organizations which waged the anti-(communist)-central government *jihad*, and that it has the capacity to fund those organizations at levels similar to those funding levels which forced the Soviet Union to decide to withdraw from Afghanistan. The fight between the Communists and the *mujahidin* was essentially a war of economies as well as a struggle for authority over the rural populace, and the Communists failed because they could not strangle the economy which funded their opponents. Similarly, the international Coalition which strives to stabilize the Afghan

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<sup>5</sup> For more on the etiology of this term, see footnote 69.



central government is locked in a war of economies with groups who strive to assert authority over the rural populace in order to induce or compel future opium poppy cultivation. Understanding the full political-economic context, as well as the economic consequences of Coalition counter-narcotics policies, is essential to developing a successful policy course.

Chapter III analyzes both the cultivation and trafficking sides of the opiate economy. It shows that cultivation, where practiced, is integral to the political-economic units of the rural social structure. Attacking cultivation through eradication risks provoking strong rural backlash based on cultural mores. Cultivation is often motivated by factors beyond individual farmer's control, and could be greatly expanded beyond current levels if the market required (e.g., in response to eradication). Ultimately the cultivation side of the opiate economy contributes negligible funding to anti-government interests. Instead, the trafficking portion of the opiate economy has the overwhelming capacity to fund the bifurcated rentier economy. Non-traditional Commander groups (who engage in trafficking) are generally despised by the rural populace, who want the government to confront and remove these menaces to Afghan society and government stability.

Much of the cultural analysis in Chapter II, paired with the analysis of the opiate economy in Chapter III, demonstrates that the historic political-economic units of rural social organization are particularly susceptible to being captured by the opiate economy, and are vulnerable to economic exploitation and political hijacking by trafficking groups, who are inherently anti-government. With the advent of parliamentary, provincial and eventually district-level elections, anti-government interests now have an unprecedented means of infiltrating the government and using corruption to keep the government out of the rural affairs which the traffickers wish to control.

In Chapter IV, the analysis of the counter-narcotics policies of Afghanistan, the United Kingdom and the United States indicates a mixed bag of both policy development and policy implementation. Some mistakes were made in early policy decisions, but subsequently a multi-faceted, balanced and patient approach was collaboratively developed by each of the parties. Unfortunately, pressure for immediate results and a

mistaken belief in the efficacy of deterrent eradication have prevented the implementation of this patient and coordinated approach. Pressure built through 2004, led by the United States, for pursuing an aggressive attack on cultivation in 2005 that was not carefully linked to Alternative Livelihood programs, and to the United States even campaigning (fortunately, unsuccessfully) for aerial eradication. Ultimately, the eradication campaign failed in both its short-term goals and in demonstrating that deterrence is achievable given the Afghan cultural (and geographical) context.

Overall, counter-narcotics policies have focused disproportionately on eradication, particularly to “deter” future cultivation. This disproportionate emphasis is not justified for a number of reasons. First, the comparative abilities of the cultivation and trafficking sides of the opiate economy for funding anti-government forces clearly favor confronting trafficking and its benefactors, as they pose the clearest organized threat to government stability. Second, there is ample opportunity for cultivation to expand even further in future years to make up for eradication losses, and the stockpiling of opium gum allows the market to bridge short-term losses in production caused by whatever eradication is achieved. Third, market dynamics indicate that reducing demand for cultivated product, i.e. removing traffickers, is the only sustainable way to suppress the high profitability of opium poppy cultivation. Fourth, attacking cultivation means attacking and imposing rapid change on the rural social structure which we are trying to link to a democratic central government; attempts at rapid social engineering produce revolt against Afghan governments, not positive change. Fifth, the “rapid-collapse-through-deterrence” approach wholly ignores the fact that the licit Afghan economy is currently dependent on the illicit funding generated by opiates, and—if successful—the deterrence goal of a rapid collapse of the opiate economy would also collapse the licit Afghan economy. Finally, the quest for achieving cultivation deterrence naturally focused attention on the major-cultivation provinces. This is problematic given that just six of 34 provinces are major producers, but trafficking interests are present to influence election outcomes in all 34 provinces, and the minor-production provinces provide the natural opportunity for increasing cultivation as it is squeezed in the major-cultivation areas.

The arguments developed through the thesis result in the following policy recommendations, which are presented in Chapter V. First, all parties of the Coalition should move to implement the patient and balanced approach developed in several policy documents adopted by each of the major counter-narcotics contributors. Second, the overall approach to confronting the opiate economy should start by “rolling back” opium poppy cultivation from the provinces where it has only recently taken hold to prevent it from becoming deeply entrenched in the rural political-economic social structures, and to limit traffickers’ ability to influence a much broader array of elected public offices. Major-cultivation areas can be addressed as the government gains political and infrastructural strength, in terms of ability to enforce laws and prosecute offenders. Third, there should be a much greater focus on attacking the trafficking portion of the opiate economy, to support both the roll-back strategy and to engage in country-wide interdiction operations. Additional specific recommendations are developed, but are reserved for the conclusion as the context for understanding these cannot be succinctly presented here.

#### **D. SOURCES**

Two primary sources were used in this thesis, including an interview with a policy official in the State Department Bureau of Intelligence and Research, and an interview with and access to e-mail discussions from a British citizen working in the Afghanistan Ministry of Counter-Narcotics. Secondary sources used for this thesis include many scholarly works on Afghan culture and history, other academic works, reports from the United Nations Office on Drugs and Crime, the World Bank, the Brookings Institute, the Central Intelligence Agency, The Afghanistan Counter-Narcotics Ministry, the Congressional Research Service, various Afghan cultural organizations, contemporary surveys of Afghan voters, and press reports. The policy analysis in Chapter IV relied first on primary source material, consisting of the policy documents and on-the-record statements by policy officials of Afghanistan, the United Kingdom, and the United States. Documents and information were taken from official government websites, U.S. Congressional Testimony, U.S. Public Laws, the Congressional Research Service, statements by U.S. legislators, U.K. Select Committee on Foreign Affairs documents, books written by former government officials, interviews with mid-level policy officials

in the State Department, communications with Coalition officials working in the Afghan Ministry of Counter-Narcotics, news reports from U.S., British, and various Central Asian publications translated by the Foreign Broadcast Information Service.

More than one source for information on the Afghan opiate economy was available for analysis, however data from the United Nations Office on Drugs and Crime was chosen. The Appendix provides an extended justification for relying on this data.

## II. THE AFGHANISTAN CULTURAL CONTEXT

This chapter will review the essential Afghan social structure and history relevant to understanding the modern role of the opiate economy, that economy's social potential, and the context in which counter-narcotic policies must function. The first section of this chapter, titled Essential Afghan Social Structure and History, discusses four topics. The first is the nature of ethnic identity in Afghanistan and the characteristics of the four largest ethnic groups, including their relationship to the opiate economy. It shows that, with the exception of the Pashtuns, ethnic identity is not the most relevant social group for most Afghans. Instead, Afghans most identify with their *qawm*, an often fluid social grouping that poses particular challenges for governance and counter-narcotics efforts (topic two). Third, the history and changing character of relations between the central government and rural society are discussed. Finally, the section presents the recent history of Afghanistan's status as a rentier state, a characteristic that has removed incentives for the central government to engage rural society. This review builds the case for what is argued in the second part of this chapter, which is that a distinctly non-traditional understanding of the threat posed by the opiate economy is needed to formulate effective policy. The broad conclusions of the second half of this chapter are that the opiate economy is: a foundation for a bifurcated rentier-state system, with international aid going to the central government and narcotics revenue funding rural-based power centers in a manner functionally similar to patterns seen during the Soviet-Afghan war; an economy that harnesses historic rural patronage networks and both eclipses and corrupts central government distributive networks; a force which exacerbates rural-state social tensions. Once framed in cultural-historic terms, the opiate economy can be effectively understood and confronted, and *this* confrontation may in fact point the way to understanding how best to ease Afghanistan forward into an emerging era of Asian economic revival as a functioning democratic state suited to Afghan society.

### A. ESSENTIAL AFGHAN SOCIAL STRUCTURE AND HISTORY

Afghan society is richly varied. This review is not comprehensive; it presents the Afghan societal structures and patterns of power that illuminate essential broad constraints, *within which we must develop our counter-narcotics policies*. Liken this

summary to describing the hills and valleys (constraints) within which a river flows—as we guide ourselves downstream we must still mind the submerged rocks and swirling eddies (nuanced societal and contemporary power structure details, many of which are not presented here) that could prevent us from successfully reaching the sea. However, if we ignore these broad constraints, by merely transplanting policy choices applied in other contexts, we may find ourselves river-rafting in the forest.

### **1. Afghanistan's Ethnic Structure**

Afghan ethnic groups will be discussed as if they are distinct sets for simplicity sake, but clear distinctions do not reflect historic reality. As will be presented later, self-identity for nearly all people in Afghanistan is primarily driven by affiliation with one or more *qawm*, not with broad ethnic groupings or even (in general) with a tribe or confederation of tribes.<sup>6</sup> The one sustained historic deviation from this is the Durrani Pashtun, whose self-identity as an ethnic tribal confederation was driven by their close political relationship to the central government. Among the Ghilzai Pashtun there exists an ethnic Pashtun identity, but their tribal confederation identity eroded due to a lack of political involvement. For the remaining groups ethnic identity is weak, and the extent to which it exists, it is a fairly recent development, spurred by the political imperatives of recent Afghan experience.

Two noted Afghanistan scholars observe that ethnic consciousness can be manipulated by a politically dominant external group—a point discussed by Olivier Roy (French pronunciation, “Waugh”) but overtly stressed by Barnett Rubin, especially with respect to government action (repression or favoritism).<sup>7</sup> Both authors observe that ethnically-based self-identity is strengthened when it is politically expedient or imperative for the emerging self-identity group. Such was the case during the Soviet war, which

accelerated [the] process of ethnic crystallization, and brought about a sort of political awareness of ethnic identity.... The [Communist] regime

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<sup>6</sup> Barnett Rubin, *The Fragmentation of Afghanistan: State Formation and Collapse in the International System*, (New Haven: Yale University Press, 2002), 25.

<sup>7</sup> Olivier Roy, *Islam and Resistance in Afghanistan*, (Cambridge: Cambridge University Press, 1990), 224; Rubin, *Fragmentation*, 26, 302.

propaganda coined the word *melliat* (a translation for the Soviet concept of “nationality”) to give political expression to the non-Pashtun groups.<sup>8</sup>

In addition to Soviet influence, the foreign military aid extended to the Mujahidin via the famed Peshawar Seven political groups forced local *qawm* seeking support to identify more closely with macro-ethnic parties. These parties were in turn to a large degree reinforced by the Pakistani ISI (Directorate of Inter-Services Intelligence) as a simplified means of distributing military aid and exerting political influence.

Whether the emerging ethnic identities will solidify into lasting factors of self-identity remains to be seen, and will largely depend on the political context created by the Afghan central government, or by outside spoilers. Roy discusses and Rubin founds his entire book, *The Fragmentation of Afghanistan*, on the fact that Afghan governments (almost exclusively Durrani Pashtun) have historically pursued a policy of segmenting the governed population into small units to prevent the rise of a politically powerful group which could challenge a weak central government. The units utilized for segmentation have been the *qawm*, a unit inherently acceptable to the population, and the result has been a lack of ethnic identity among non-Pashtun peoples. The 2004 subdivision of two Afghan provinces to create 34 from 32, and the highly adept political maneuverings demonstrated by President Karzai may well be evidence of political stabilization via careful segmenting, i.e. governance Afghan (or Durrani) style.

**a.        *The Pashtun Peoples***

The preeminent ethnic group in Afghanistan is that of the Pashtun which is politically centered around a collection of tribal confederations established in the 1740's to assert control over land holdings which have expanded and contracted through conquest and confrontation. Modern Afghanistan's borders were determined to a large degree by British and Tsarist Russian on-and-off competition (known as the “Great Game”) as they each attempted to co-opt (but occasionally clashed with) Pashtun ambitions and interests. The Pashtuns developed “a profound sense of cultural identity,”<sup>9</sup> but it was based on a simultaneous ideology and tribal code of conduct called *pashtunwali*, not on ethnicity in the western understanding. According to Roy, “[o]nes

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<sup>8</sup> Roy, *Islam and Resistance*, 224.

<sup>9</sup> Roy, *Islam and Resistance*, 13.

allegiance belonged to the restricted group and the tribal code... to exercise *pashtu* (to identify oneself with values) was more important in the context of tribe than “to be a Pashtun” (to be identified with an ethnic community or a nation).”<sup>10</sup> So Pashto identity has historically not been tied to a macro-ethnicity, rather to a restricted social group (*qawm*, discussed later in detail) *which practices pashtunwali*.

A brief summary of *pashtunwali* is essential; the most important tenet of this tribal code is maintain and defending one’s *nang*, or honor. Failure to do so inflicts self-ostracism, to no longer be Pashtun. Vengeance for setting right major transgressions is the second tenet (*badal*), and will surely follow any event which attacks one’s *namus*, (land, wealth and women), protection of which is the third tenet. Long-established social rules govern the distribution, use and transfer of land, lending and payments of debt, and treatment of women. Fourth is a requirement to extend generous hospitality, or *nemasta*, to visitors, to the point of jeopardizing one’s own well-being. Finally, *pashtunwali* demands that one give refuge, or *nanwati*, to all fugitives, and is closely related to *nemasta*. *Pashtunwali* provides a tendency towards social equilibrium among a small, close-knit group, which has been the prevailing level of social organization, embedded within a village-centric context.<sup>11</sup> Such a code is necessary among a highly egalitarian society, as it is the only means of finding justice for grievous wrongs where there is no recognized hierarchy to enforce law or to appeal for adjudication. Those who self-identify with *pashtunwali* are eternally resisting central government encroachment, which imposes a hierarchy inimical to the egalitarian ethic. That the Pashtun peoples have historically dominated central governance in Afghanistan is made consistent with *pashtunwali* by maintaining the understanding that central governance is necessary to maintain order and authority in the *non-Pashtun areas* seized through conquest, so that the benefits of expansion could be shared by all Pashtuns. Government within the Pashtun lands is redundant and unnecessary, according to *pashtunwali*.<sup>12</sup> This poses obvious problems for counter-narcotics policy, especially since the bulk of opium poppy cultivation occurs in Pashtun areas. Improperly-conducted counter-narcotics operations

<sup>10</sup> Roy, *Islam and Resistance*, 13. Quotation marks inside the quote carried from Roy’s text.

<sup>11</sup> Thomas Johnson, class notes from *Contemporary Afghanistan Politics*, Naval Postgraduate School, Monterey, California, Spring 2005.

<sup>12</sup> Roy, *Islam and Resistance*, 14.



could clash with protection of *namus* via destroying the means for wealth creation and maintenance, and searches of homes violate the privacy required for women. Such an affront is a challenge to *nang* (honor) and would inspire a quest for *bidal* (vengeance) that would not end after adjudication in a courtroom or the release of a convict.

Barnett Rubin describes the Pashtun peoples as belonging to three tribal groups, and refers to the two most prominent groups, the Durrani and the Ghilzais, as each being a tribal confederation which can be subdivided into tribes, clans and lineages.<sup>13</sup> The Durrani and Ghilzais share an historic legacy in that they were colonized by the Safavids, who controlled the central and western areas of modern Afghan territory before 1749; this is important because the Safavids inculcated “chieftain” leadership roles in their subject tribes, an act which recognized/created ruling lineages and recognized hierarchies in each group. Once the Pashtuns established independence, the Durrani immediately rose to prominence in central governance and have generally maintained dominance since. President Karzai, for example, is the head of the Popolzai tribe of the Durrani Confederation. Two very significant and recent deviations from this pattern include the Ghilzai tribes’ primacy during the period of anti-Soviet Jihad,<sup>14</sup> and during the Taliban era the Mullahs took over. Even though the Mullahs were mostly from Durrani Pashtun areas, they are socially distinguished as their own *qawm* and oriented to their interpretation of Islam and *shari’a*, as opposed to *pashtunwali*, and therefore not Pashtun in the sense of *qawm* (discussed below).<sup>15</sup> Through exercise of centralized power, and access to it through aristocratic (formalized) patronage networks which included gifts of land from the Monarchy (the *jagir* system)<sup>16</sup>, the Durrani have maintained a strong hierarchical tradition, although they still romanticize some aspects of tribal Pashtun structure such as the *jirga*, and *nang* is still a central theme of life. Although *pashtunwali* has decayed among the Durrani, they still fully self-identify as Pashtun and are accepted as such by other Pashtun; this distinction hints at a self-acknowledged division within the ethnicity, discussed below. A portion of

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<sup>13</sup> Rubin, *Fragmentation*, 26 – 28.

<sup>14</sup> Roy, *Islam and Resistance*, 225.

<sup>15</sup> Roy, *Islam and Resistance*, 35.

<sup>16</sup> Roy, *Islam and Resistance*, 12

the Durrani Confederation has, by dint of establishing itself as aristocracy, largely abandoned *pashtunwali*, Pashto as a language, and other sociological aspects of what it is to be Pashtun,<sup>17</sup> and may refer to these as ‘dead tribalisms,’ but they still draw on the historic legacy and patrimony which legitimized their aristocratic standing.<sup>18</sup> Conversely, the Ghilzai’s formal hierarchy has atrophied, their identity as a confederation has weakened, and they have returned to the more egalitarian structure embodied in *pashtunwali* and in the *jirga*; Rubin notes that this development owes as much to the tribal relationship to the central government as to autonomous social tradition.<sup>19</sup>

The third major Pashtun group comprises those tribes historically colonized by the Mughals, and who reside in the mountainous areas straddling the eastern border shared by Afghanistan and Pakistan, and in the Pakistan lowlands descending east towards the Indus River. Among these Eastern Pashtun tribes no broad political confederation ever formed, *pashtunwali* is still very strong,<sup>20</sup> and recognition of central governance (and “national” borders) is very weak; this is formally epitomized in the existence of the Pakistan Tribal zones. These cross-border tribal relations are significant in terms of the opiates trafficking into Pakistan. Especially since these tribes lost much of their access to their traditional market-day city of Peshawar as a result of British territorial demarcations during the Great Game, these tribes have taken to all forms of “smuggling” (trade via relatives and *qawm* who happen to live on both sides of an “artificial” border, from their perspective). Families within the hill tribes are prominent in the regional trucking companies who service licit (and other?) markets, and it is the hill tribes which are familiar with and monitor/control access to the traditional cross-border footpaths through the mountains.<sup>21</sup>

The distinctions between the Durrani and the Ghilzai and Eastern tribes follows to some degree a sharp division which is central to the self-conception of the Pashtun peoples, that between the plains Pashtun and the hills or mountain Pashtun. The

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<sup>17</sup> Roy, *Islam and Resistance*, 15.

<sup>18</sup> Roy, *Islam and Resistance*, 15.

<sup>19</sup> Rubin, *Fragmentation*, 28 – 29; Roy, *Islam and Resistance*, 12.

<sup>20</sup> Rubin, *Fragmentation*, 29.

<sup>21</sup> Johnson, class notes.

lowland Pashtuns are historically much more closely bound to central government jurisdiction, and tribal life is hierarchically structured through *Khan* patronage networks revolving around controlled access to land. The mountain tribes have largely been free from government interference, and male tribal members are largely equal among their peers as demonstrated in the construct of the *jirga* (circle), where consensus decisions are made by all male members of the group. One Pashtun folk saying captures the lowland/highland distinction wonderfully, in noting “taxes (including rent) eat up the plains, and honor eats up the mountains.”<sup>22</sup> The second half refers to blood feuds spawned by families defending or recovering their *nang*, or honor, through vengeance.

Rubin notes that Pashtuns include peasants, nomads and city dwellers, and as such many Pashtuns do not fit neatly into the tribal and/or aristocratic structures mentioned above. Over the past century, through the process of urbanization, relocation (occasionally forced) and pastoralization of nomads, many Pashtuns have been “detrified.” Even still, many of these people still retain their tribal self-identity.<sup>23</sup> A new and radically different detribalization resulted from the Soviet war and the subsequent unrest, as an entire generation of Afghan youth was raised in refugee camps or in urban settings abroad as people fled the fighting. Even in the refugee camps, life for Pashtuns was, at best, semi-tribal; patronage networks developed more along political faction lines than via *qawm* affiliation.<sup>24</sup> The little education available to youth raised in such camps was largely provided by madrassas, many of which espoused a modern and radical form of Diobandi Islam,<sup>25</sup> a form influenced by and similar to Salafi and Wahhabi Islam, and very different from the Hanafi tradition practiced by most Sunnis in Afghanistan.<sup>26</sup>

The Pashtun people are Sunni Muslim, but their relationship to Islam is complex. Among the four sources of legitimacy for Afghan centralized power given by

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<sup>22</sup> Rubin, *Fragmentation*,. 28.

<sup>23</sup> Rubin, *Fragmentation*, 28 – 29.

<sup>24</sup> Roy, *Islam and Resistance*, 227.

<sup>25</sup> Johnson, class notes.

<sup>26</sup> Global Security.org, *Dioband Islam and Wahhabi Islam*, <http://www.globalsecurity.org/military/intro/islam-sunni.htm> (accessed 17 June 2005); and Ahmed Rashid, *Taliban: Militant Islam, Oil and Fundamentalism in Central Asia*, (New Haven: Yale University Press, 2001), 88 – 91.

Roy, Islam is listed third, after tribal legitimacy (*pashtunwali* and the *jirga*), the mere possession and exercise of power which is not questioned (second), and just above the legitimacy drawn from a sense of nationhood as a people, which is held only by the historically detribalized Pashtun.<sup>27</sup> (It is highly unlikely that this sense of nationalism is shared among the youth raised in refugee camps and educated in the Diobandi madrassas.) Among the hill tribes, where *pashtunwali* is the primary social construct, there is the saying “Mullah go back to the mosque,” which is to say ‘stay out of our business.’<sup>28</sup> The religious authorities are socially ascribed into a separate *qawm*, and as such have diminished authority to influence behavior within a Pashtun *qawm* structure centered on *pashtunwali*. For the Durrani, among whom *pashtunwali* plays a diminished role, the Mullah has somewhat higher standing and influence; President Karzai includes as part of The 1384 (2005) Counter-Narcotics Implementation Plan posting a fatwa prohibiting cultivation of opium poppy in every mosque.<sup>29</sup> Islam is, however, the one feature shared by essentially all Afghan peoples, and serves to unite all peoples in Afghanistan during periods of crisis such as attack by foreigners. During these times, the standing of religious authorities rises, but usually not enough to challenge the Durrani *Khans* and royalty for ruling status. The case of the Taliban is really a cultural aberration, the causes of which are complex, and beyond the scope of this paper. It is clear at this point, that although the underlying social causes for the rise of the Taliban have not *entirely* been expunged, Afghanistan is returning to more traditional modes of power, albeit with a new democratic construct which selected a (Durrani) President via popular election instead of selecting a Durrani King via consensus of the Loya Jirga or a resort to armed conflict.

Apparently, the Pashtuns have never constituted a majority within the area that is now Afghanistan.<sup>30</sup> Establishing a reliable percentage for each ethnic group has been highly problematic, primarily for reasons of amorphous and context-driven self-

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<sup>27</sup> Roy, *Islam and Resistance*, 20.

<sup>28</sup> Johnson, class notes.

<sup>29</sup> Afghanistan Counter-Narcotics Ministry, *The 1384 (2005) Counter-Narcotics Implementation Plan*, (released by President Karzai 16 February 2005), [http://www.mcn.gov.af/imp\\_plan.htm](http://www.mcn.gov.af/imp_plan.htm), (accessed 21 September 2005).

<sup>30</sup> Rubin, *Fragmentation*, 28.

identity (discussed in *Qawm*, below), and since 1979 due to nearly constant armed conflict through much of the country. These factors have made survey/census tools difficult to construct and implement. Prior to the Soviet invasion Pashtuns were 46 percent of the population,<sup>31</sup> and current estimates placing them at 42 percent.<sup>32</sup> The Pashtuns are concentrated in the provinces surrounding the southern arc of the ring road from Herat to Kabul, but are found in much of the northern areas of the country as well. This southern arc is also where opium poppy cultivation is most prevalent and most entrenched into the rural social fabric. The expansion of opium into all Afghan provinces has proceeded to a large degree through ethnic connections.<sup>33</sup>

**b.      *The Tajik Peoples***

The Tajiks comprise the second largest ethnic group in Afghanistan, 23 percent in 1979 and 27 percent estimated today.<sup>34</sup> Among the Tajiks, the *qawm* identity is founded on kinship, and on the geographical area surrounding the rural village. Writers disagree as to whether the hierarchical *Khan* structure prevails; this may well depend on the extent to which these peoples were colonized by the Safavid empire, which extended to the east of Herat covering areas presently inhabited by only some of the Tajiks in Afghanistan. Much of the present-day Tajik areas extend through the north of Afghanistan, especially into the mountainous Hindu Kush areas, and into Tajikistan.

In terms of contemporary Afghan politics, one of the most important of the Peshawar Seven political parties, Jamiat-i Islami, is primarily a Tajik party. It was founded by Burhannudin Rabbani, who served as Afghan president from 1992 – 1996, when he was run out of Kabul by the Taliban. As a significant political player in the Northern Alliance, he proclaimed himself leader of Afghanistan when Northern Alliance forces re-entered Kabul after the fall of the Taliban, but handed power over to (then) Interim President Hamid Karzai on 22 December 2001. He has not been given a political

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<sup>31</sup> Rubin, *Fragmentation*, p.26.

<sup>32</sup> Central Intelligence Agency, *CIA World Factbook 2005*, Taken from the CIA website <http://www.odci.gov/cia/publications/factbook/geos/af.html#People>, (accessed 15 June 2005).

<sup>33</sup> United Nations Office on Drugs and Crime (UNODC), *The Opium Economy in Afghanistan 2003*, (UNODC, 2003), 42 – 52, [http://www.unodc.org/pdf/publications/afg\\_opium\\_economy\\_www.pdf](http://www.unodc.org/pdf/publications/afg_opium_economy_www.pdf) (accessed 09 June 2005).

<sup>34</sup> Rubin, *Fragmentation*, 26; CIA, *World Fact Book 2005*, Afghanistan.

role in post-Taliban Afghan government, and as a result he is an outspoken critic of the Karzai government, albeit a politically weakened one.

Ismail Khan is another prominent Tajik warlord and politician, and effectively ruled Herat and the surrounding region as his personal *khanate* essentially independently from the central government, until he was forced to step down in August 2004. However, in December 2004, Ismail Khan was appointed the Minister of Energy in President Karzai's cabinet.

**c.        *The Hazara Peoples***

The next largest group consists of the Hazara, who comprised 10 percent of the population in 1979 and are estimated at 9 percent today.<sup>35</sup> The Hazara are mostly concentrated in the central region of Afghanistan historically known as Hazarajat, which now comprises the provinces of Bamiyan, Uruzgan and Ghor, and parts of Herat, Farah, Kandahar, Ghazni, Parwan, Baghlan, Balkh and Badghis. Ethnically they are believed to be a mixture of Mongol and Turkoman warrior settlers, Tajiks and perhaps other Afghan peoples.<sup>36</sup> Many Hazara retain strong mongoloid features, setting them apart in physical appearance from the other ethnic derivations present in Afghanistan. Additionally, most Hazara are Shi'a, which further distinguishes them from the rest of the Afghanistan population. Whether due to the physical or sectarian differences, the Hazara have traditionally been considered the lowest class in Afghanistan; a position formally established as government policy as recently as the late 1800s.<sup>37</sup> Socially, Hazara have been held as slaves and as servants in Pashtun areas, and were the subject of genocidal attacks by the Taliban in 1996 in the city of Mazar-i-Sharif. In terms of the opium economy, Hazara villages accounted for only .1 percent of the total number of opium producing villages in 1994, the only year that UNODC collected ethnic identity as part of their annual *Afghanistan Opium Survey*. Other ethnic groups, primarily Pashtuns and Tajiks, living in the Hazarajat region were responsible for opium poppy cultivation within those provinces, and the spread of poppy cultivation since has followed ethnic

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<sup>35</sup> Rubin, *Fragmentation*, 26; and CIA, *World Fact Book 2005*, Afghanistan.

<sup>36</sup> Ismaili Heritage Society, *Ismailis in Hazarajat*, <http://ismaili.net/Source/mumtaz/behsud/ismailis.html>, (accessed 17 Jun 2005).

<sup>37</sup> Johnson, class notes.

connections. Based on this information, it is highly unlikely that the Hazara are significant contributors to the opiate economy today.<sup>38</sup>

**d. The Uzbek Peoples**

The last major ethnic group in Afghanistan comprises the Uzbeks, accounting for 8 percent of the 1978 census and estimated at 9 percent today.<sup>39</sup> They are concentrated primarily in the north of Afghanistan, in highly fertile farmland along the Amu Darya river system. Traditionally, cotton has been a primary agricultural product for the Uzbeks. Politically, the Uzbek peoples have tended to have little contact with the central government, and village life is dominated by strongmen with large land holdings, who enforce a serfdom-like relationship with peasant farmers through a rigid hierarchical structure. Some of these landlords were Durrani Pashtun who were supported by the government in Kabul until the 1978 coup, apparently part of the *jagir* system.<sup>40</sup> The Uzbek's most important political figure is that of Abdul Rashid Dostum, who commanded the largest and most effective militia fighting on behalf of the Communist government of Najibullah. Although this was a regionally-drawn multi-ethnic force (almost uniquely among militias, this one did not correspond to a *qawm*), the majority were Uzbek and there was a strong element of hatred for the Pashtun in recruiting members.<sup>41</sup> Initially, Dostum was responsible for guarding the northern natural gas fields, but eventually developed his militia into a division-size force capable of mobile operations and was deployed south to the Kandahar (Durrani Pashtun) area. He married the daughter of a *khan* from the Popolzai tribe of the Durrani confederation, the same tribe of President Karzai. He has been noted for changing allegiance on many occasions, often at a particularly opportune time to preserve his standing. Eventually he ended up joining the Northern Alliance, and re-took from the Taliban his historic stronghold of Mazar-i-Sharif. He is also noted for his ruthless battle tactics, and his forces have been accused of wartime atrocities. In the post-Taliban era, he has held the position of Deputy Defense Minister, established himself as a special advisor for military affairs responsible for security in much of northern Afghanistan (running it as a fiefdom), a position which

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<sup>38</sup> UNODC, *Opium Economy in Afghanistan*, 48.

<sup>39</sup> Rubin, *Fragmentation*, 26; CIA, *World Fact Book 2005*, Afghanistan.

<sup>40</sup> Rubin, *Fragmentation*, 160.

<sup>41</sup> Rubin, *Fragmentation*, 160.

he was forced to relinquish in May 2003. Cut loose from the Karzai interim administration, he established himself as an opposition Presidential candidate.<sup>42</sup> However, in March 2005 he was appointed be the Chief of Staff to the Commander of the Afghan National Army; it is unclear what his responsibilities or authority will be.<sup>43</sup>

There are several ethnic groups represented in small percentages of the whole, including the Aimek, Turkmen, and Baluch. Since they play such a minor role in the governance of Afghanistan, and by all indications in the opiate economy, they do not require elaboration here.

## **2. The Importance of *Qawm* as a Social Identity Reference**

Roy introduces the idea of *qawm* by stating:

Every Afghan is linked to the past by a line of ancestors traced back through his father. He is also conscious of belonging to a larger entity which takes the form of a more or less endogenous community (the *qawm*), whether its sociological basis is tribe, clan, professional group (*qawm* of the mullahs...), caste, religious group, ethnic group, village community or simply an extended family. [Some parenthetical examples omitted for brevity.]<sup>44</sup>

Rubin notes that *qawm* refers to any form of solidarity group, and as a construct of personal identity can be somewhat fluid based on what form or level of identity is relevant to a particular setting.<sup>45</sup> The importance of *qawm* to counter-narcotics policy stems from the function of *qawm* in the *rural* setting, where there is competition to become recognized as the *qawm*'s headman, or the *khan*. Roy presents a brilliant characterization of the *qawm/khan* relationship:

Power in Afghan peasant society resides neither in a specific locality nor in a person, but in an elusive network, which needs constant maintenance and reconstruction. It is a network which depends upon patronage, where one's degree of prestige is proportionate to the largesse distributed. Power is granted by consensus and is not necessarily given to a man for life.... Afghan society is not feudal.... A *khan* depends for his power on the

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<sup>42</sup> Global Security.org, *Abdul Rashid Dostum*, <http://www.globalsecurity.org/military/world/afghanistan/dostum.htm>, (accessed 17 June 2005).

<sup>43</sup> British Broadcasting Company, *Concern over Dostum Appointment*, 03 March 2005, [http://news.bbc.co.uk/2/hi/south\\_asia/4314261.stm](http://news.bbc.co.uk/2/hi/south_asia/4314261.stm), (accessed 17 June 2005).

<sup>44</sup> Roy, *Islam and Resistance*, 12.

<sup>45</sup> Rubin, *Fragmentation*, 25. Some phrases closely paraphrased.



consensus of his *qawm*, except when his authority has been superseded by a state nominee, which has been the case amongst the Durrani since the eighteenth century through the institution of the *jagir* [land grants by the monarchy].... The *khan* must always show, by his generosity and his availability to those who need him, that he is the only person worthy fulfilling this function: “there is no *khan* without *dastakhan*” (without “a tablecloth,” that is, without keeping open table.)<sup>46</sup>

In addition to building ties through the community via patronage, the *khan* also strives to be the judge in local disputes and to extend their family relations through marriage.<sup>47</sup> So, in the rural setting, often (although not exclusively) a village and a *qawm* are highly synonymous.<sup>48</sup> The political structure of the group is really an extension of the economic model and family relations of the group; it is an amorphous network which changes with time and with personal fortune. For the rural individual then, identity is tied tightly to the social microcosm which provides for his physical needs and the reasonably stable social context in which he contributes directly to providing for his own needs.

The resilience and relative fluidity of the *qawm* networked political and economic model has served the Afghan peoples very well: whoever can manage resources and relationships the most efficiently and effectively becomes the *de facto* leader of the *qawm*. This produces a social structure which is highly adept at dealing with environmental survival challenges such as drought, but also political survival challenges such as the invasions by the British during the Great Game and that of the Soviets in the 1980s, each of which was successfully resisted. The networked and fluid structure makes it very hard for an outside political authority to harness local groups for political purposes. This flexible method of economic and political arrangement at the local level, while highly valuable at preventing total societal collapse even in the face of extreme challenge, is a complication to governance that extends to most of the ethnic groups in Afghanistan, and exacerbates the governance problems presented by *pashtunwali* among much of the Pashtun peoples.

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<sup>46</sup> Roy, *Islam and Resistance*, 22-23.

<sup>47</sup> Roy, *Islam and Resistance*, 11.

<sup>48</sup> Roy, *Islam and Resistance*, 25.

Roy observes that in Muslim countries where there is not a tradition that strongly emphasizes the role of the state, which is the case in Afghanistan, individual's loyalties are divided between the localized community, or *qawm*, and the *Umma*, which is the world-wide Muslim community.<sup>49</sup> Absent is a sense of patriotism (for a centrally-governed unit) in the western sense, which leads us to the rural-state relationship in Afghanistan. It is in the rural-state interaction, which must engage the *qawm* as a political unit, where the importance of the *qawm* structure to counter-narcotics policy becomes clear and operates through several mechanisms.

### **3. The History and Changing Character of Rural/Central Government Relations**

The following discussion will progress through three aspects of rural-state relations: the historic purpose of the central government; the nature of the government's attempts to relate to *qawm*; and the *qawm*'s infiltration of the state. From this discussion several constraints for counter-narcotics policy will be drawn.

#### ***a. The Historic Purpose of the State***

We noted earlier that the Afghan central government was founded and sustained by Durrani Pashtuns, and instituted within the context of controlling lands gained through conquest. As such, the *raison d'être* for the central government is captured in Roy's description:

The Afghan tribes (especially the Durrani, but also the Ghilzay) see the central power as their representative; it manages on their behalf the conquests that they have made together.... The tribes see the state as existing on the periphery, responsible for administering [conquered land]..., in respect of which the state is no more than the means of continuity. As far as their own territory is concerned, the presence of the state would seem to be redundant and totally unnecessary. The historical mission of the Afghan state may be summarised as an attempt to reverse this relationship in order to pass from the periphery to the centre. But the state was never to escape the implications of the original principle which gave it legitimacy...<sup>50</sup>

The power of the state is intended to be used in relation to non-Pashtuns. However, non-Pashtuns are naturally inclined to resist, evade, or seek exemption from government

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<sup>49</sup> Roy, *Islam and Resistance*, 8. Closely paraphrased.

<sup>50</sup> Roy, *Islam and Resistance*, 14.

oversight. In fact, Roy notes that “an Afghan will never define himself as an Afghan if he is not a Pashtun as well.”<sup>51</sup> It may be equally stated that for self-identified Afghans and non-Afghans, the state has virtually no role to play in interfering with their daily life experience other than to provide protection from outside interference, and to serve as a source of wealth which the *qawm* can tap into (a point to be discussed below).

**b.        *The Government’s Attempt to Relate to Qawm***

It is no wonder then that the rural peasantry and the state officials regard each other with “profound and mutual contempt.”<sup>52</sup> The separation between the two is part and parcel of daily experience, where the government building in a village is set apart from the area of residences, and patterns of behavior, clothing and speech also differentiate the official from the peasant.<sup>53</sup> It is also founded in the fact that the administrative official typically is not part of the local peasant’s *qawm*; they are distinctly outsiders, and especially in areas where *pashtunwali* is strong the sense of hierarchy, wealth extraction, and interference in local affairs embodied by the state official is particularly resented.

For the state to assert its authority, this is a challenging (if not debilitating) environment; but the constraints on state interaction are complicated by more than mere enmity. The *qawm* political-economic model also creates significant obstacles for the state to extend state jurisdiction into the affairs of the *qawm* (e.g., to enforce counter-narcotics laws). A village-*qawm* must be somewhat economically self-sufficient, and wealth creation does not rise much above sustaining the community and improving its means of production for sustenance (e.g. irrigation networks, etc.). The competition for who can best operate a patronage network to meet people’s needs (the fight to be *khan*) results in a stable *economic* model for distributing limited resources, but it has the potential for *political* volatility because the *khan* may be changed out if he does not perform. *Qawm* power structures are networks, and as such are hard to harness or penetrate by the government; if the government were to latch onto one personality in the *qawm*, succeed in focusing that person’s attention on the government in order to extract

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<sup>51</sup> Roy, *Islam and Resistance*, 20.

<sup>52</sup> Roy, *Islam and Resistance*, 10.

<sup>53</sup> Roy, *Islam and Resistance*, 10.

resources (taxes) or enforce laws (which interfere with *pashtunwali* and/or *qawm* productivity for the *qawm*'s sake), then that personality would very quickly be replaced as *khan*, and would no longer have the authority to fulfill the state's mandate.<sup>54</sup>

To get around this problem, the state has utilized the position of the *malik*, but this is only a partial solution. The *malik* is a person of the local village, considered by the peasants to be one of their own, who is selected by the head family of the *qawm* to act as an intermediary between the *qawm* and the government. In some (e.g. multi-ethnic) villages there will be more than one *malik*, as there are more than one *qawm*, although this is not typical. *Maliks* are people of standing in their community, but usually not of equal standing with the *khan*. *Khan* wield greater (although informal) power than the *malik* based on their personal wealth, the strength of the *qawm* and its loyalty to the *khan*, and on the fact that the families served by the *malik* pay his salary (sometimes *malik* have been paid by the state as well).<sup>55</sup> The *malik* represents the state to the *qawm* and the *qawm* to the state, and as such is inevitably bound into a conflict of interests where he gets to decide what information is passed in both directions.

This raises the issue of corruption. Roy states "[c]orruption, if it is done at a reasonable price and kept within acceptable limits, is not wrong as far as the peasant is concerned: it makes it possible for him to resist regimentation, and to avoid dealing with issues which he does not understand and whose purpose is, in any case, beyond him...."<sup>56</sup> In essence, corruption is the price of freedom, a marginal cost to exempt the *qawm* from government interference.

Why should the state be content to accept such an inefficient and corruptible model of relating to its people? First, the model has been sufficient to provide the state with what it needs from these relatively poor rural communities which have little wealth to be taxed. The relationship has historically been strong enough to secure taxes for local infrastructure projects (e.g., nearby roads, school or government buildings) and to extract recruits for a national army. The historic pattern of Afghanistan being externally supported, often to the degree of becoming a rentier state (discussed below),

<sup>54</sup> Roy, *Islam and Resistance*, 11.

<sup>55</sup> Roy, *Islam and Resistance*, 19. Applies to entire discussion on the *malik*.

<sup>56</sup> Roy, *Islam and Resistance*, 21.

also alleviated the need to extract wealth from the populace. However, the primary reason is that given the insular politics of the *qawm*, the motivations and aspirations of the *khan* are not oriented towards changing or challenging the state's existence or its limited centralized political system and social structure, which is clearly in the interest of the state.<sup>57</sup> When the extractive relationship of the *qawm* to the central government (discussed below) is added, the state is given a powerful tool to fragment society into manageable (or at least ineffective) political entities in terms of challenging state existence, a point noted by Roy and thoroughly discussed by Rubin.

In spite of the fact that the model of state-*qawm* relations above has managed to meet the most basic needs of the state, the state has tried to achieve some degree of societal engineering (primarily an attempt to bring modernity) and to change the fundamental nature of the state-*qawm* relationship by moving the state from the periphery of society to the middle, as mentioned above. Generally, the attempts to bring change have been very gradual, avoiding radical or rapid change. Two notable exceptions are the attempts at cultural revolution from above instigated by King Amanullah (1924 – 1928) and by the Khalq regime (Communist, 1978 – 1979).<sup>58</sup> Both attempts were taken as unwarranted attacks on the *qawm* social structure by outsiders, and provoked a crisis in which the unifying force of Islam was harnessed to unite many *qawm* in *jihad* against the oppressors. Rubin describes the reforms attempted by Khalq, stating they

would have destroyed the economic and social basis of the [*qawm*] exchanges—marriage prestations, loans, mortgages, tenancy, hospitality—that enabled *khans* to “tie the knot of the tribe.” The network of clientelism that held extended families together and knitted them into a *qawm* would have been replaced by a direct dependence of nuclear families on the [communist] party and government bureaucracy.<sup>59</sup>

Roy's comment “[if] the state sets about imposing its own norms, then the state is considered to be no more than the instrument of sectional interests”<sup>60</sup> warns us that

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<sup>57</sup> Roy, *Islam and Resistance*, 11.

<sup>58</sup> Roy, *Islam and Resistance*, 11.

<sup>59</sup> Rubin, *Fragmentation*, 116.

<sup>60</sup> Roy, *Islam and Resistance*, 27.

counter-narcotics activity cannot be pursued such that it appears to be an imposition of external norms (or one that violates *qawm* norms); instead, we must find ways to work with the *qawm* social structure to advance counter-narcotics interests. Radical destabilization of existing *qawm* economic-political structures, which exist at the local/village level, through an all-out eradication campaign will certainly result in localized violent resistance. But it also has the potential to spawn a wide-spread *jihad* against what would be perceived as a Coalition effort to change Afghan society.

*c. The Qawm's Infiltration of the State*

The final aspect of rural-state relations lies in the *qawm's* attempt to infiltrate the state. This game is pursued for two reasons: to extract wealth for the *qawm*, and to ensure that rural politics can continue unabated without interference from the government; *qawm* do not pursue access in order to seize power or upset the political order at the national level:<sup>61</sup> instead they attempt to infiltrate the state bureaucracy at whatever level is appropriate to meet their extraction and non-interference needs, from the district up to the ministerial levels. By Roy's estimation, the *qawm's* strategy was successful, at least from the period of 1933 – 1978. Even during the constitutional period of 1963 – 1973, in which a parliament was formed, national political parties failed to coalesce. While some political scientists determine this as the cause of the failure of that constitutional experiment, Roy attributes the failure as a symptom of the underlying *qawm* system, where

The deputies from the provinces came as representatives of their local *qawm* to obtain subsidies and privileges, for the state was seen by them merely as a powerful and external agent at whose expense they should profit as much as possible.... The selection of political appointees clearly reflected the divisions within a society where primary allegiance was to the family and patronage was still a major factor: ultimate loyalties were not centred upon the state.<sup>62</sup>

Roy characterizes the resulting parliamentary politics as all form and no substance, a political theater which devolved into political comedy mocked by school children on the playground as they listened to debates on the radio.<sup>63</sup> The emotional and patriotic

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<sup>61</sup> Roy, *Islam and Resistance*, 24.

<sup>62</sup> Roy, *Islam and Resistance*, 25.

<sup>63</sup> Roy, *Islam and Resistance*, 24.

connection between state and society was a dead circuit: the state was merely an entity to be looted to the extent possible, and to be infiltrated to prevent interference in local *qawm* politics. Rubin discusses at length the state's efforts to fragment the society; it is equally valid to view the result of the collective *qawm* activities of extraction and emasculation as a fragmentation of the state.

In a very broad summary to this point, our counter-narcotics policies must recognize that the tribal and *qawm* structures of society cannot be abruptly challenged in a manner which is interpreted as a violation of *pashtunwali* or local *qawm* prerogative, lest we risk an acute local reaction. Nor can counter-narcotics policies be used in a broad attempt to socially re-engineer society – an action which would prompt a more or less unified *jihad*. Instead, we must engage the *qawm* structures and work with their patronage systems to bring about gradual change to achieve effective jurisdiction of the state, or at least the exercise of locally-held jurisdiction to function in compliance with state goals. [Evidence presented in Chapter IV will show that gradual change can be accelerated, *if* international assistance is properly targeted to ameliorate the economic impact of changes required of the *qawm*.] We must also strive to link rural and state political interests such that parliamentary and electoral politics achieve a character of substance and consequence. While some viewpoints see the Afghan opiate economy as a drug war problem with a weak government complication, others see Afghanistan as a weak government problem that we are attempting to stabilize while dealing with an additional drug war complication. The first viewpoint fails to correctly prioritize the problem set, while the second viewpoint, if not developed further, fails to recognize the underlying system which is operating: the *true* strategic battleground, where both the governance and drug problems will be won or lost, is found in the role of external subsidies pouring into the Afghan society, creating a bifurcated rentier state where the central government and non-traditional commanders who capture rural society are economically driven into mutual confrontation. This is precisely the unstable governance situation which is counter to U.S. and international interests.

#### 4. Afghanistan's History as a Rentier State

A rentier state is one which receives 40 percent of its government revenue from sources other than engaging its society for resources through taxation.<sup>64</sup> Non-constituent revenue streams which make up the 40 percent or more may include foreign aid, or nationalization of commodities such as oil, or in the case of Afghanistan, natural gas. There are consequences for governance and for state-society relations when states achieve (and maintain) rentier status. Typically, the state can be much more autonomous in its policy towards the society, but long-term disengagement with society can result in its not having a “differentiated apparatus capable of penetrating civil society” to enforce policy, and in “a non-capitalist or non-monetized society may pose costly obstacles to monitoring and information gathering.”<sup>65</sup> This situation describes present-day Afghanistan fairly well, as the central government does not have an effective engagement with society. Monetary institutions such as banking and rural credit have only just recently begun to be re-instituted, and payment in-kind as opposed to in cash is observed.

Rubin presents information to show that Afghanistan achieved a weak rentier status (just clearing the 40 percent threshold) during the period of 1958-1968, maintained it in the 1970s, and increased it during the period of Soviet invasion.<sup>66</sup> It is in this period that a bifurcated rentier economy developed in terms of the war effort: in one revenue stream the Soviets provided more than 40 percent of the Afghan government expenditures, and in a second revenue stream international sources poured money into well-organized although segmented Mujahidin (a non-traditional fighting organization conjured from the ruins of rural society) at rates which must have exceeded 40 percent of the resistance's economic capacity.<sup>67</sup> In *The Other Side of the Mountain: Mujahideen Tactics in the Soviet-Afghan War*, Ali Ahmad Jalali and Lester W. Grau state that

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<sup>64</sup> Rubin, *Fragmentation*, 49.

<sup>65</sup> Rubin, *Fragmentation*, 13.

<sup>66</sup> Rubin, *Fragmentation*, 65; Barnett Rubin, *The Political Economy of War and Peace in Afghanistan*, Undated paper (updated from a 21 June 1999 paper), <http://www.eurasianet.org/resource/afghanistan/links/rubin99.shtml>, (accessed 25 June 2005).

<sup>67</sup> Although I have not compiled the economic data to show “40 percent” (and it is not clear that reliable economic data exist), it is clear from reporting that the rural Mujahidin became nearly entirely reliant on logistics support from external sources, including food, as a result of the Soviet efforts to destroy the rural economy which supported the insurgency. This is discussed in *The Other Side of the Mountain: Mujahideen Tactics in the Soviet-Afghan War*, cited below.



[t]he strategic struggle for Afghanistan was a fight to strangle the other's logistics.... From 1980 until 1985, the Soviets sought to eliminate Mujahideen support in the rural countryside. They bombed granaries and rural villages, destroyed crops and irrigation systems, mined pastures and fields [and] destroyed herds.... This Soviet effort denied rural support to the Mujahideen, since the villagers had left and most of the food now had to be carried along with weapons and ammunition and materials of war. The Mujahideen responded by establishing logistics bases inside Afghanistan. The Soviet fight from 1985 to withdrawal was to find and destroy these bases.<sup>68</sup>

Essentially, this is a battle of economies. The Mujahidin would have failed except for functioning under supremely “rentier” economic conditions in terms of their own financial structuring; they depended to a very high degree on outside sponsorship. This is the sense in which I present the model of a bifurcated rentier economic system; one branch funds the central government and fulfills the rentier economic model for states, and a second branch of international funding sustains a rural-located (although not necessarily rural-supported in terms of traditional *qawm* political-economic structures) anti-government power structure.<sup>69</sup> In the current context, the opiate economy has become the foundation for funding a rural power base which will inherently oppose central governance.

## **B. BUILDING THE CASE FOR THE TRUE OPIATE ECONOMY THREAT**

Drawing on the discussion above, the next three parts will build the case that the opiate economy is or has the potential to become: a foundation for a bifurcated rentier

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<sup>68</sup> Ali Ahmad Jalali and Lester W. Grau, *The Other Side of the Mountain: Mujahideen Tactics in the Soviet-Afghan War*, (U.S. Government as represented by the Secretary of the Navy (DFAR 252.227-7020 June 1995)), xix – xx.

<sup>69</sup> While researching this paper to find documentation of the rentier status of the Afghan government during the Soviet invasion, I came across Barnett Rubin's paper, *The Political Economy of War and Peace in Afghanistan* on 25 June 2005. In this paper, Rubin also discusses a “bifurcated” economic model functioning in Afghanistan. His use of the term describes a different state of economic affairs than what I describe, in which the central government is separated from the rural populace based on its rentier status—the bifurcation is between state and society in his terminology, and in mine it describes two separate funding streams which fund two separate groups who compete for authority over rural society. Rubin uses “bifurcation” to refer specifically to the time before the anti-Soviet *jihad* when international funding to the *mujahidin* did not exist. I must acknowledge his work which predates my own given the similarity of the verbiage, even though it did not contribute to my own formulation. My inspiration for the bifurcated economy arose through reading *The Other Side of the Mountain*, which I first received on a thesis research trip to Washington, D.C.; the copy was provided by the USMC Combat Development Command (Quantico) on 09 June 2005, which I read on the flight home on 10 June. My use of the term “bifurcation” also pre-dated my exposure to Rubin's paper, and comes from my experience as a pilot of large transport aircraft, whose high-bypass turbofan engines are describes as “bifurcated” with respect to separate airflows through the engine.

system, with international aid going to the central government and narcotics revenue funding rural non-traditional anti-government power centers; an economy that harnesses historic rural patronage networks and both eclipses and corrupts central government distributive networks; and a force which exacerbates tensions between rural society and the central government.

### **1. The Opiate Economy as a Foundation for a Bifurcated Rentier System**

The parallels between the conditions present during the Soviet counter-insurgency and the current situation with respect to confronting the opiate economy are unmistakable. The Afghan government is and will be for some time be a rentier state, based on the external reconstruction, investment, humanitarian and financial aid, capacity building and military support it does and will receive. On the rural branch of the bifurcated rentier economy, the 2004 valuation of the opiate economy equaled 60 percent of the entire 2003 licit economy in Afghanistan. The opiate economy largely underpins the rural economy (as well as the entire country economy), is inherently in opposition to the central government, and is linked to non-traditional armed factions which are remnants of the anti-Soviet Mujahidin, as well as international crime syndicates which are already involved in trafficking arms and are more than willing to challenge governments to protect their business.

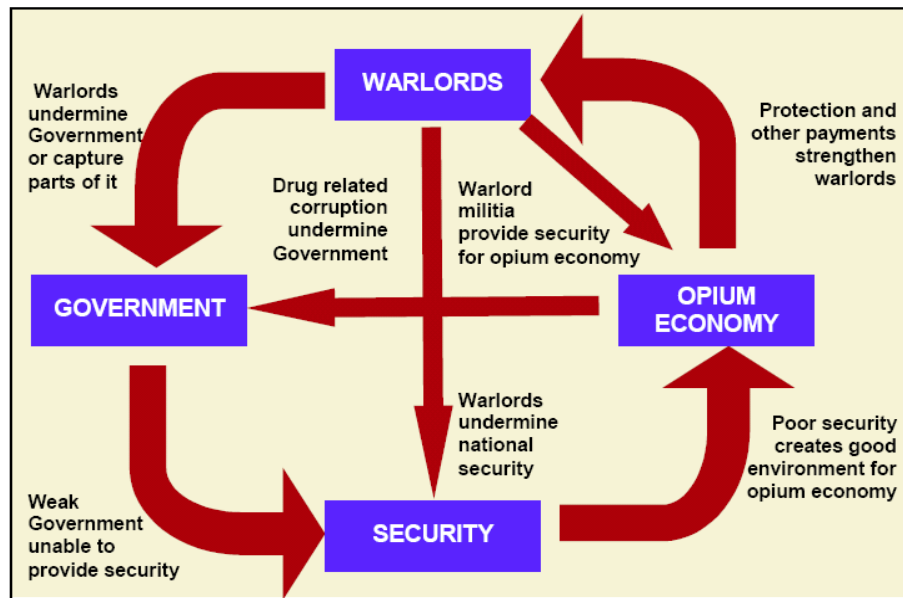
The bifurcated rentier model includes but significantly goes beyond the understanding conveyed in typical presentations of the threat to Afghan stability. The World Bank developed the following model of the interaction between what it terms “warlords,” the opium economy, and the government:

The opium economy has profound adverse implications for security, politics, and state-building in Afghanistan. It contributes to a vicious circle whereby the drug industry financially supports warlords and their militias, who in turn undermine the Government - which is also corrupted and captured at different levels by bribes from the drug industry. As a result the state remains ineffective and security weak, thereby perpetuating an environment in which the drug industry can continue to thrive.<sup>70</sup>

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<sup>70</sup> World Bank Poverty Reduction and Economic Management Sector Unit, South Asia Region, *Afghanistan: State Building, Sustaining Growth, and Reducing Poverty--A Country Economic Report*, (Report No. 29551-AF, 09 September 2004), 87.

Figure 1. The Cycle of Insecurity (From: World Bank, p. 87)



The significance of the bifurcated rentier economy goes beyond what the World Bank description and diagram alludes to, however. While the portrayal of opiate economy funding to warlords is accurate, as is the way in which the warlords can undermine or capture parts of government through corruption, what is not diagrammed or described here is the way in which warlords and the opiate economy can capture and control portions of rural society and reinforce rural vs. central government tensions. Examples of this include: warlords and trafficker's ability to corrupt the workings of the *qawm* political-economic model and the competition for who will be *khan* by providing non-*qawm* funding to supportive or compliant *khan* aspirants; the function of *salaam*-structured loans which trap farmers into opium production; and by creating rural vs. central governance confrontation which runs afoul of *qawm* autonomy and risks offending *pashtunwali* among the Pashtun who cultivate a very large portion of the opium poppy crop. Also obscured by the World Bank's presentation is the differentiation as to who should and should not be considered a warlord, and the fact that it becomes easy to focus on the warlords instead of the opiate economy, so much so that the World Bank placed them at the top of the diagram. To understand why the opiate economy should be the center of our focus, and to illuminate the true significance of the

bifurcated rentier economy, we need to demand that our policy discussion deal with the cultural realities and nuances and not settle for broad, imprecise and misleading terminology.

*a. The Importance of Specific Policy Terminology*

The World Bank refers to “warlords and their militias” in the diagram above, and other analytical works on Afghanistan use “militia commanders” as an interchangeable term with “warlord.” One would presume these to be bad people who must be confronted. But the language of policy discussion does not satisfy the cultural nuances present in Afghanistan which must be taken into account.

For example, the truest manifestation of the “militia” in Afghan society is the *lashkar*, which is the group of armed men numbering in the few-dozens range called up by the *qawm* to defend *qawm* interests—this is very similar to the American Revolution notion of the minute-man. The *lashkar* is an essential element of the *qawm* social structure, and if the central government intends to engage society it should not receive international pressure to fight the essential elements of its society. Although reports do not specify, evidence (expounded below) indicates that the violent resistance to eradication experienced by the Central Poppy Eradication Force in Kandahar province in the spring of 2005 was in part a *lashkar* response to offenses against *pashtunwali*, in particular the violation of the *qawm*’s *namus* (land and wealth certainly, perhaps not a violation of the *qawm*’s women unless entry of homes accompanied the eradication). The fundamental problem, beyond the confrontation, is that the activity and the reports do not account for this essential cultural detail—our inarticulate policy parlance would lump this resistance in with “warlordism” connected to the opium economy. The result of this confrontation which must concern policy-makers is that a portion of the rural population is now violently angry at central government interference, and eradication efforts in Kandahar province were cancelled by the Karzai government. No significant gain was achieved and a significant cost was paid. The decision to end the confrontation is not a sign of Afghan government weakness: President Karzai has, since July of 2004, successfully challenged several prominent regional leaders who commanded thousands of anti-Soviet fighters and had maintained their forces through the Taliban period. If the

resistance to eradication had been part of a warlord's army instead of *lashkars* and average villagers it is unlikely that he would have ordered an end to the confrontation.

***b. Traditional versus Non-Traditional Social Structures***

During the anti-Soviet *jihad* many armed groups developed who did not draw on traditional *qawm* resources. Rather, they were funded from *and became wholly reliant upon* non-*qawm* international economic sources. Many of these non-traditional groups survived the loss of international funding to the anti-Soviet *jihad* when the Soviets withdrew, relying alternatively (or more exclusively) on opiate economy and tariff-evasion smuggling revenues, as described by the World Bank. These armed factions are not integral to the long-established social structures of Afghanistan, and manage to aggregate and sustain hundreds or in some cases many thousands of men under arms. These non-traditional groups are the target of President Karzai, and significantly these groups do not enjoy widespread support among the rural population.

On October 9<sup>th</sup>, 2004, during the Afghan Presidential Election, over 17,000 Afghan citizens were polled and provided the following responses: 50 percent stated the first priority of the government should be to disarm “warlords and militia commanders,” as translated in the English version of the poll. The same poll showed fully 65 percent see the “warlords and commanders” as a source of instability in their community.<sup>71</sup> When asked in June-July 2004 “what is the most powerful position in your province,” overall response (polled in six provinces, in both urban and rural communities) listed the Governor, 38 percent; Militia Commanders, 32 percent; and head of army or police 20 percent.<sup>72</sup> Over 52 percent of respondents in each of three provinces cited militia commanders as the most powerful.<sup>73</sup> This same survey asked “Do you think the government should do more, the same, or less to reduce the powers of commanders in Afghanistan?” An overall average of 88 percent said more should be done, with no

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<sup>71</sup> International Republican Institute, “Afghans Most Concerned About Security” (Media Release 27 July 2004), [www.iri.org/7-27-04-afghans.asp](http://www.iri.org/7-27-04-afghans.asp), (accessed 03 December 2004).

<sup>72</sup> Michael O’Hanlon and Nina Kamp (Brookings Institution), *Afghanistan Index*, Brookings cites the “Afghans on Security and Elections” (sic) poll, conducted by the Human Rights Research and Advocacy Consortium (HRRAC), June-July 2004, with 763 respondents from six provincial capitals and rural surrounds. The actual survey is titled *Take the Guns Away: Afghan Voices on Security and Elections* and may be accessed on the Care USA website (an HRRAC member) <http://www.careusa.org/newsroom/specialreports/afghanistan/gunsaway2.pdf>, accessed 03 December 2004.

<sup>73</sup> HRRAC, *Take the Guns Away*, 19.

provincial average less than 76 percent. However, we must be absolutely clear as to what these polls are actually measuring; the respondents are not overwhelmingly calling for the disruption of the *qawm* social structure, nor government interference in *qawm* affairs. The *khan*, as leader of a *qawm*, is in the truest sense of the word a “militia commander” in charge of a few dozen men, much the same as Captain John Parker who dispersed his small formation in the face of 650-900 British troops on the Lexington Green early the morning of 19 April, 1775.<sup>74</sup> The *qawm*-based militia are not equal to or surpassing the provincial governor in power, nor do rural *qawm* wish for the government to disarm the only real security these village communities have. So again, we see critically valuable information obscured by inaccurate terminology, which leads us to accept policy implementation which ends in violent confrontation with the very social structure we wish to link with a democratic central government.

*c. The True Implications of the Bifurcated Rentier System*

One additional note on the non-traditional armed groups is required. The first phase of the Disarmament, Demobilization and Reintegration (DDR) program was completed on July 8, 2005, in which 60,000 armed fighters belonging to recognized regional armed factions were submitted by regional leaders for processing. It is estimated that an additional 80,000 – 100,000 fighters belonging to illegal armed groups, i.e. those not belonging to recognized local forces, remain to be disarmed.<sup>75</sup> Disarming these non-traditional forces is essential in dismantling a near-term danger to the Afghan central government. However, the illicit economy which funds their extended mobilization is of greater long-term concern. For as long as that illicit economy exists, these forces could be rapidly rearmed and reorganized by the monied interests which siphon illegal profits to fund their illegal armies. We have shown that very little of the small slice of opiate economy which goes to opium poppy cultivators could be used for anti-government activity—however there is likely substantial room in the \$2.2 billion dollar trafficking portion of the opiate economy to: (1) subvert traditional rural *qawm* politics and economics to induce or force opium poppy cultivation and buy anti-government loyalty;

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<sup>74</sup> Worcester Polytechnic Institute Army Reserve Officer Training Corps Department of Military Science, *Background: A Brief History*, <http://www.wpi.edu/Academics/Depts/MilSci/BTSI/Lexcon/>, (accessed 29 August 2005).

<sup>75</sup> Congressional Research Service, *Afghanistan: Narcotics and U.S. Policy*, 26 May 2005, 15.

(2) infiltrate district and provincial election politics to buy or place narco-friendly politicians within the emerging democratic political structures; (3) continue funding or re-establish illegal armed factions capable of directly confronting the central government.<sup>76</sup> It is not hard to imagine that several hundred million dollars per year could be drawn from the \$2.2 billion trafficking endeavor to be allocated to these efforts. We must recall that with several hundred million dollars per year, Saudi Arabia, the United States, China and Iran funded a fragmented rural anti-central-government militia campaign which in a thirteen year period exhausted and defeated the Soviet military and caused the Communist Afghan central government to collapse in April 1992. What we are facing an historic parallel—nothing short of a war of *economies*—pitting a rentier state government economic system against an illicit rentier rural economy. Both sides are fighting to engage a rural social structure which historically has resisted *government* engagement, but currently despises the commanders of non-traditional armed factions funded by the illicit economy. This time, however, the rural opponent has the advantage of potentially infiltrating and turning the government to its own purposes through democratic mechanisms. Clearly, the opiate economy is the foundation for the greatest threat to stable Afghan governance; counter-narcotics objectives deserve to be treated at least as an equal if not a greater priority than counter-terror objectives.

Like the Soviet-Afghan war, the counter-narcotics war in Afghanistan is a fight to preserve the stability of a chosen governmental system. The strategic fight for each side is a model of strangle and drown: the government must strangle the opiate economy logistics (interdiction of trafficking) and drown its monetary subversion of the rural economy through rural economic development; the opiate traffickers can succeed if they strangle the government's ability to enforce law by corrupting the populace and the government, and they can drown interdiction efforts through overproduction, especially if the opiate economy becomes cartelized.

## **2. The Opiate Economy Harnesses Historic Rural Patronage Networks**

While only an estimated U.S. \$600 million in opiate revenues stays with farmers, and therefore within the traditional village-*qawm* structure, U.S. \$2.2 billion goes to

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<sup>76</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 16. Two such threatening groups are specifically cited as present dangers to the Afghan government.

traffickers.<sup>77</sup> Certainly a significant amount of these funds go to established political operatives, although their individual identities are beyond the scope of this paper (extending the analogy offered at the beginning, liken them to dangerous rocks in the river which can be removed (note that they may also be replaced, after removal, by drug networks!), not to hills and mountains which fundamentally change the social structure). The fact that drug revenue creates newly powerful people, i.e. persons who gain financial resources (useful for economic patronage) derived from outside the *qawm* structure, does not create concern for applying the social lessons learned above. This situation is not new, as many of the mujahidin commanders in the Soviet-Afghan war were not necessarily *khan*, but rose to prominence through funding received via the Peshawar Seven political parties. What is important is that these new “leaders” operated as if they were *khan*, and in many cases the non-*qawm* groups they led were transformed into self-sustaining *qawm* units via practices which were identical to the traditional patronage system.<sup>78</sup> Roy states in the case of these new leaders, “[t]here is a definite change in leadership, but not so great a change in leadership patterns.”<sup>79</sup> The critical lesson for understanding how the opiate economy threatens central governance is this: based on recent and historic social practice, the \$600 million entering rural farming *qawm* and the \$2.2 billion going to *qawm* and *qawm*-like trafficking groups does not mysteriously disappear from the Afghan rural economy into Swiss bank accounts. Much of it becomes part of the Afghan rural economic/political system and will function to undermine central government authority in the rural areas, not just among “criminals,” but across a broad swath of rural society.

There are many paths through which the opium economy can insinuate itself into the *qawm* economic/political framework. *Khans* have some say in what their families will cultivate within the *qawm* area. Traffickers may approach *khan* to establish opium poppy supply. Or, they may buy into the ongoing competition to be *khan*, and pay *khan* aspirants to promote opium production; those purchased aspirants may have a larger

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<sup>77</sup> United Nations Office on Drugs and Crime, *Afghanistan Opium Survey 2004*, (UNODC, Vienna: November 2004), [http://www.unodc.org/pdf/afg/afghanistan\\_opium\\_survey\\_2004.pdf](http://www.unodc.org/pdf/afg/afghanistan_opium_survey_2004.pdf), 71, (accessed 30 November 2004).

<sup>78</sup> Roy, *Islam and Resistance*, 216 – 217.

<sup>79</sup> Roy, *Islam and Resistance*, 217.



capacity to distribute patronage among their relatives, and thereby usurp the *khan* position by harnessing funding that originates external to the *qawm*. Conversely, enterprising *khan* may seek out access to the opiate economy through their own initiative, or harness the initiative of a farmer who has gained opium cultivation expertise through work as an itinerant laborer. Ultimately, a primary function of the *khan* is to increase the economic wherewithal of his *qawm*; if a *khan* accedes to poppy eradication and cannot show a corresponding economic substitute to recover the lost opportunity, there is every motivation for a *khan* aspirant to try to usurp the leadership position by pursuing poppy cultivation independently. There is also an inherent motivation for a *khan* or *khan*-aspirant to cheat any agreement with the government in which economic development aid is offered on the condition that poppy cultivation cease, so long as the punishment for cheating (let's presume a withdrawal of development aid) could be either postponed or caused to go un-enforced through payments (bribes) to officials responsible for oversight. President Karzai's government is establishing provincial and district-level development councils who are responsible, via provincial governors, for ensuring eradication compliance.<sup>80</sup> Especially in the social context of *qawm*, let us not forget Tip O'neil's admonition "All Politics is Local." Over the long term, if local *qawm* can earn significant income from supplying opium gum to traffickers, we should expect opium production to continue regardless of eradication efforts or development aid availability.

Based on the paragraph above, it should be clear that the facts of this social context work inherently in the favor of the trafficker's imperatives in this struggle, which are to drown counter-narcotic efforts with overproduction and to strangle government policy through corruption. The facts of the social context are also the foundation for why the Afghan central government's and the international community's approach must exert maximal effort in strangling the trafficking network, which is the only way to remove the opium economy funding stream which permeates that broad swath of the rural *qawm* economic/political structure. The discussion above should not discourage support for an aggressive, sustained, and well-funded rural development and alternative livelihood campaign. The illicit opiate economy:

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<sup>80</sup> Islamic Republic of Afghanistan, *Afghanistan 1384 (2005) Counter-Narcotics Implementation Plan*. [http://www.mcn.gov.af/imp\\_plan.htm](http://www.mcn.gov.af/imp_plan.htm), (accessed 27 May 2005).

has produced a significant increase in rural wages... [is] a significant source of credit for low income and rural households... [functions such that its] profits fuel consumption of domestic products and support imports of high value goods such as automobiles and appliances... [is] a major source of investment for infrastructure development projects....<sup>81</sup>

Successfully suppressing trafficking activity, and thereby removing (or greatly reducing) opiate economy funds *without* concurrently building licit economic capacity in the rural setting would devastate the Afghan people and the country's economy; it is easy to imagine that the government which undertook such activity to the detriment of its people would not last.

The prospect that rural individuals gain independent wealth is not a hypothetical. Economically, the system of competition among potential *khans* to gain stature by (re)distributing intra-*qawm* wealth has come under attack in recent decades, as some rural individuals have achieved concentration of wealth by tapping into extra-rural sources of income while still meeting the needs of their *qawm*. This development has allowed these 'rural rich' to direct more attention to, and seek or extract favor from, the central government, as compared to *khans* who extracted and distributed wealth exclusively within the intra-*qawm*'s economic product.<sup>82</sup>

This recent trend becomes highly significant when one considers the potential for narcotics traffickers (or those who "tax" them) to amass wealth which is disproportionate and distorting to the traditional licit economy and therefore to traditional rural political networks. The problem comes in the form of corruption, through buying access to either *maliks* or state officials themselves to constrain information or defer enforcement of counter-narcotics laws. Alternatively, traffickers can pursue the traditional route to prevent government interference in rural affairs; they can join the bureaucracy themselves, or send their designated representative to protect their '*qawm*' interests.

Corruption can and currently is also working 'downwards' when farmers are given advance loans in cash (*salaam*) in order to cover their expenses through the winter/spring until harvest time, and then are required to repay these loans in opium gum

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<sup>81</sup> Congressional Research Service, *Afghanistan: Narcotics and U.S. Policy*, 07 December 2004.

<sup>82</sup> Roy, *Islam and Resistance*, 23.

at harvest time. This, as one mechanism among many, traps farmers into cultivating opium poppy.<sup>83</sup> (Detailed discussion of the opium economy is reserved for Chapter III).

### **3. The Opiate Economy Exacerbates Rural-State Tensions**

The central government cannot return to historic patterns of leaving the rural social structures to themselves, or merely subdividing them into manageable or ineffective units, so long as terrorist and narcotics interests are intent on using rural Afghanistan for their purposes. Additionally, more *qawm* or *qawm*-like structures are gaining the wherewithal and motivation to more actively engage the government in order to protect or advance their group interests. These developments force the central government to confront at least some rural *qawm* structures and, to the extent *qawm* interests run counter to government policy, this confrontation will increase tensions. The degree to which tensions rise will be a function of the policies pursued. This conclusion is rather banal, so an elaboration of policy recommendations will not be given here to justify what is obvious; broad policy constraints imposed by the cultural context will be summarized below, and a detailed policy discussion is reserved for Chapter IV.

Three outcomes could result from these increased tensions. One path is towards rural penetration of the government to blunt or deflect the counter-narcotics efforts, which is a strategy consistent with historic *qawm* approaches to reducing government interference in *qawm* affairs. Outside observers would (rightly) describe this outcome as a narco-state, and may call this outcome obvious as well, but it is important to note that in essence it would be a continuation of normal state-society relations which are merely applied to a new economic endeavor. The timeframe for a narco-state outcome could be measured in a few years from the present time.

A second potential outcome develops from an inappropriately structured counter-narcotics effort. An aggressive counter-narcotics policy which is perceived as an attack on the traditional *qawm* social structure would at best be ineffective and at worst result in rural revolt. Social revolt could emerge fairly abruptly, with the key question being how wide-spread and coordinated the revolt would be. The breadth of revolt would be a function of how widely the central government policies were perceived as having a generalized negative impact on all *qawm* and their way of life, or alternatively perceived

<sup>83</sup> UNODC, *Afghanistan Opium Survey 2004*, 73

as having a narrow impact only on opiate-producing *qawm*. Many localized “brushfires” would present a serious challenge to central government stability. But widespread and semi-coordinated revolt which takes on the nature of the *jihad* patterns witnessed in the uprisings against Amanullah and against the communist Khalq regime would almost certainly be beyond the government’s capacity to handle. Government failure is likely even with significant foreign support, as was the case for both Amanullah and the Khalq.

The third potential outcome is to achieve government penetration of the rural *qawm* via a reciprocal political relationship, not just one which is primarily extractive for each side. This model is essentially political engagement, which would allow the government to exchange investment and services for compliance with law and extension of jurisdiction. One potential mechanism for this will be the parliament, although this has a poor historic precedent. Another mechanism is the Provincial *Shuras* and District Development Councils formed under the auspices of the Afghanistan 1384 (2005) Counter-Narcotics Implementation Plan, which are responsible for enforcing eradication and also identifying development projects; this allows a kind of quid pro quo system, and there is a nominal check in that a separate entity, the Provincial Development committees, are the final approval authority for selecting development projects.<sup>84</sup> The success or failure of this particular mechanism will depend on how it is implemented (note the discussion on potential corruption of such institutions, above), and additionally many other mechanisms to link the government and society will be needed. This development goes far beyond (mere) state-building into all-out civil-society-building, which is an endeavor that primarily the Afghans must undertake for themselves. This third path is essential to developing a truly functioning democracy, albeit one tailored to the Afghan society and *qawm* structures, and will be measured in decades, not years.

#### **4. Effectively Confronting the Opiate Economy**

While a more complete policy prescription is presented in Chapter V, the broad outlines of a policy which can ‘successfully navigate the river valley’ based on cultural lessons can be presented here.

First, an all-out drug war using aerial eradication (recommended by some, and opposed by President Karzai and virtually all Afghanistans who have commented) is

<sup>84</sup> Islamic Republic of Afghanistan, 1384 (2005) *Counter-Narcotics Implementation Plan*.

highly likely to produce *jihad*; this is an unworkable approach, and this policy appears to be the (proposed) application of measures used elsewhere in the world which are culturally incompatible with Afghanistan.

Eradication as a primary approach to the problem does not fit well with the cultural context, especially if one is trying to build popular tolerance (or even acceptance) of the new government system. First, eradication in general, and especially if it is done inappropriately, runs a strong risk provoking a violent response based on *pashtunwali*; this is highly significant in that Pashtuns cultivate the vast majority of poppy, and a very large percentage of the production occurs in Pashtun areas where *pashtunwali* is strong. Second, based on the *khan* system of economic/political arrangement within *qawm* structures, there is every motivation to continue production in spite of eradication efforts. Where eradication has been in practice, there is now evidence that producers are moving their cultivation into harder-to-reach areas, not merely abandoning production. Thirdly, for many reasons (discussed in Chapter III) many rural farmers are trapped into producing opium poppy, and the remaining farmers choose to cultivate poppy because the income possible from poppy greatly exceeds that available from licit crops. Fourthly, the economics of the opiate trade militate against focusing our efforts on production (via eradication) if our chief concern is government stability. Farmers are estimated to gain only 27 percent of the opium economy proceeds, and much of that goes to pay for production costs (detailed in Chapter III), which leaves a comparatively small amount of funds available for *qawms* to use to engage the state political system, especially since funding local *qawm* interests must come first. Traffickers take in the remaining \$2.2 Billion (73 percent), and likely have a higher percentage of disposable income after expenses, which leaves a much larger potential for buying government influence or corruption. Finally, in addition to having a lower impact on illicit funding, focusing on eradication runs the risk of turning a much larger portion of the population against the government, as there are far more farmers and itinerant field laborers than there are traffickers. Five cultural-economic reasons build a powerful argument against focusing on counter-production efforts such as eradication.

Government's historic approach to engaging society has been to fragment it; this has been necessary because the state was weak. That is still the case today. It does not

make sense in a cultural-political context to confront the opium economy everywhere at once (treating it as a unified challenge); instead it should be confronted in a piecemeal (fragmented) manner [unfortunately, this does not match well with the CN desires of major external supporters] which matches the ability of the Afghan government to extend both its jurisdiction and its ability to provide alternative livelihood, reconstruction, and other aid to the provinces. The means to increase the size of the fragments which can be challenged will be determined by the level of external financial and counter-narcotic support within the context of the Afghan Government's 1384 Counter-Narcotics plan.

Beyond these two major points, far more extensive and nuanced policy recommendations are provided in Chapter V of this thesis.

### **C. SUMMARY**

This chapter has attempted to present information which analyses the essential Afghan social structure and history relevant to understanding the modern role and potential of the opiate economy, and the context in which counter-narcotic policies must function. We have seen how the Afghan opiate economy is or has the potential to become: a foundation for a bifurcated rentier system, with international aid going to the central government and narcotics revenue funding rural-based power centers; an economy that harnesses historic rural patronage networks and both eclipses and corrupts central government distributive networks; and a force which exacerbates rural-state social tensions. With detailed and careful consideration of the historic and cultural context in which we are operating, we can develop policies to effectively confront the *Afghan* narcotics industry, without merely resorting to simply running the same counter-narcotics treadmill we have run elsewhere. As significant as any point made in this paper is the one quietly woven through its pages: winning the war on drugs in Afghanistan will not occur by myopically focusing on arresting individuals (who will be replaced) or on destroying a poppy field (only to have it moved into harder areas to access). It will be won or lost (and I argue the Afghan government will be won or lost) by expanding our vision to take in the entire social and economic context in which it operates, and learning how to navigate our policy through this river valley to successfully reach the sea.

### III. ANALYSIS OF THE OPIATE ECONOMY

#### A. INTRODUCTION

America's strategic goal in Afghanistan is to stabilize and strengthen the Afghan central government; all counter-drug efforts within Afghanistan must support this larger strategic goal. This chapter will focus primarily on what we know and don't know about the burgeoning opium production and trafficking within Afghanistan and place those activities within their appropriate cultural context, which will inform policy recommendations consistent with that knowledge base and with our strategic goals.

In terms of developing counter-narcotic policies consistent with our primary objective—stabilizing the central government—the lessons taken from this chapter fall into two broad categories. One, we must consider the economic impact our efforts will have on subverting the rural rentier economy. Evidence will show that the trafficking portion of the opiate economy contributes the most to anti-government interests, and therefore merits priority in counter-narcotics policy. Next, the policy prescriptions to confront the opiate economy will impact two distinct constituent groups: farmers and traditional *qawm* who serve primarily as cultivators, and non-traditional commanders and their armed factions who benefit the most from trafficking. Challenging these different constituencies will have separate feedback implications on central government stability, which above all else must be our central organizing principle for policy. This chapter will evaluate the opiate economy according to its two aspects—the cultivation side and the trafficking and refining side of the opiate economy.

In both the cultivation and trafficking discussions, the most recent aggregate data available will be presented in its historic context to establish the trends of the opiate economy, and a critique of the data collection methods will be offered in order to highlight potential gaps in our understanding which could negatively impact our ability to formulate a sound policy approach. The data will be analyzed through the lens of Chapter II lessons, which include a cultural understanding of the groups involved in the opiate economy and the insight that the opiate economy contributes to the rural portion of

the bifurcated rentier economy. At the end of the chapter, what information is available about the 2005 crop will be presented, with some preliminary assessment as to lessons to be learned.

Several key observations will be developed which will improve our ability to formulate sound policy in Chapter V. On the cultivation side, four observations are important. First, cultivation has become deeply entrenched in the economies—and therefore political-economic *qawm* structure—of just a few provinces, but has recently spread to at least have a marginal presence in *every* province of Afghanistan. This has profound negative implications for provincial and parliamentary elections, as well as for the sequencing of the international Coalition’s fight against the opiate economy. Second, many farmers are trapped into opium poppy cultivation for economic reasons (in terms of income and market capacity for licit alternatives), financial reasons (in terms of lending practices and credit availability), and cultural reasons, each of which must be addressed in policy. Third, the patterns of opium poppy cultivation strongly contribute to the fact that Afghanistan has lost the ability to feed itself. This is critical beyond the normal humanitarian concerns: extreme scarcity introduces strong tensions into the political aspects of *qawm* structure, and international food assistance—when improperly distributed—also places severe strain on both the political and economic aspects of *qawm* structure. We must be extremely careful not to aid and abet societal and economic breakdown, and we must address the situation that introduces this risk. Fourth and finally in terms of cultivation lessons, we will show that only a small portion of the overall opiate economy (read, the drug-related portion of the rural rentier economy) ends up in the hands of cultivators, and much of that small slice is consumed by costs. This means that in terms of monies available for challenging government stability, only a tiny amount can be proscribed by going after cultivators.

Four observations developed from the trafficking portion of the opiate economy are important for policy makers to consider. First, although data on the economics of trafficking is much less certain than that for the cultivation portion of the economy, we know that the market value is absolutely huge and it is growing. Second, trafficking price structures are segmented by geographic area across the country, and these geographic breakdowns largely mirror ethnic divisions within the country—this should



not be surprising, as trafficking patterns are globally observed to follow and operate through ethnic connections. The segmented price structures also indicate that the market is not cartelized, at least in terms of cartels operating across all of Afghanistan. Third, it is worth emphasizing that trafficking obeys the economic laws of supply and demand, which is essential to consider when formulating policy responses to this part of the problem. Finally, the fundamental lesson of the trafficking portion of the opiate economy is found when we consider the contribution it can make to anti-government interests which thrive on the rural portion of the bifurcated rentier economy.

## **B. OPIUM POPPY CULTIVATION**

Opium poppy is a flowering plant that thrives in dry warm climates, and has higher drought-resistance than most crops. Plants require a six to seven month growing period; in Afghanistan, this equates to planting in October through February in order to harvest April through August, depending on latitude and local elevation. After flowering, the petals fall away to expose a large bulbous capsule, which is scored with shallow incisions. The incisions allow sap to ooze out and dry into a brownish-black gum. Scoring and oozing is usually done more than once over a few weeks. The opium gum is then scraped and collected. Opium gum can be dried, cooked and chemically treated to form morphine base, and then heroin. Poppy cultivation is highly labor-intensive: this includes right after planting (aggressive weeding required) but especially during the scoring and scraping required during harvest.

Key lessons for policy include the fact that opium poppy is planted and begins to develop long before licit crops need to be planted. This provides a (fairly narrow) window of opportunity for eradicating opium poppy such that farmers could re-cultivate the same farmland with licit crops and still earn some income. Opium poppy can grow in non-irrigated areas, which means any eradication effort may push cultivation into non-traditional arable lands which are much harder to access—this creates an opportunity for a balloon effect within the Afghan cultivation market, meaning that eradication may not be a solution, it may merely shift production practices into areas which prove much more difficult and costly to project law enforcement efforts. Additionally, the high labor requirements have policy implications, several of which are discussed below.

## 1. Trends in Poppy Cultivation by Province

To estimate the land area under poppy cultivation, the UNODC Afghanistan Opium Survey uses a sampling methodology which combines field surveys (asking the farmers) and partial satellite imagery coverage of arable land. Satellite coverage is used in the ten largest producing provinces representing 88 percent of the poppy cultivation area found in 2003, with field surveys used in the remaining provinces.<sup>85</sup> The aggregate data shows that in 2004, 131,000 hectares were planted with poppy (range 109,000 – 152,000 ha, with 90 percent confidence). This is up from 80,000 hectares estimated in 2003, or a 64 percent increase, compared to an 8 percent increase in 2003 from 2002 levels.<sup>86</sup>

This 131,000 hectares represents only 2.9 percent of the area in active agricultural use, and just 1.8 percent of all arable land in Afghanistan, which indicates a tremendous potential for increased opium cultivation, or in the face of eradication efforts, the capacity to shift cultivation to areas which are not as easily reached for eradication efforts, noted above. It is estimated that 10 – 12 percent of all land in Afghanistan is arable.

Table 1 shows cultivation areas for the six largest cultivating provinces plus the “rest of the country.” Hilmand has consistently been the largest producer since 1994; it was only in 2003 that Nangarhar took the lead.

Table 1. Largest Opium Poppy Cultivation Provinces 2002-2004 (From: Afghanistan Opium Survey 2004)<sup>87</sup>

Province	2002	2003	2004	Change 2003 - 2004	% of total in 2004	Cumulative %
Hilmand	29,950	15,371	29,353	91%	22%	22%
Nangarhar	19,780	18,904	28,213	49%	22%	44%
Badakhshan	8,250	12,756	15,607	22%	12%	56%
Uruzgan	5,100	7,143	11,080	55%	8%	64%
Ghor	2,200	3,782	4,983	32%	4%	68%
Kandahar	3,970	3,055	4,959	62%	4%	72%
Rest of the country	4,796	19,472	36,441	87%	28%	100%
<b>Rounded total</b>	<b>74,000</b>	<b>80,000</b>	<b>131,000</b>	<b>64%</b>		

<sup>85</sup> UNODC, *Opium Survey 2004*, 80, 93. Afghanistan re-organized from 32 provinces to 34 provinces in 2004; however, the data is presented using the 32 provinces, since that is how the data was collected. All but one province was surveyed; Paktika province was not included due to security concerns. Satellite coverage used sampling methodology in 9 of 10 provinces; Nangarhar’s arable land was imaged in its entirety to validate the satellite data methodology.

<sup>86</sup> UNODC, *Opium Survey 2004*, 21.

<sup>87</sup> UNODC, *Opium Survey 2004*, 24

In ethnic terms, Hilmand and Kandahar are largely Durrani Pashtun (with some Tajik areas), while Nangarhar is virtually entirely Eastern hill-tribe Pashtun. In all Pashtun areas, recall that the idea of central governance is that it exists to govern the non-Pashtun areas. In Nangarhar, *pashtunwali* and the *qawm* political-economic structure are major complicating factors for counter-narcotic efforts. In Hilmand and Kandahar, *qawm* and the historically close ties of the Durrani to central governance likely will be a heavily-complicating factor. It would be historically consistent to see the Durrani Pashtuns use their government connections to keep governance out of their *qawm* affairs.

Ghor province is largely Tajik; these peoples along with those Tajiks in Hilmand and Kandahar were influenced by the Safavids, and are more prone to having a hierarchical *Khan* leadership structure which may give the government a more stable access point to effect provincial and central government enforcement. This would not be expected in Badakshan, which is primarily Tajik along with Ismaili groups. Here, the Tajik peoples should organize more along the non-hierarchical *qawm* structure, although there is economic evidence (presented below) that strongmen may in fact be heavily influencing opiate production and trafficking in this area. This is an issue that requires further study.

Uruzgan is predominantly Hazara with some Pashtun presence. As noted in Chapter II, the UNODC does not believe that the Hazara peoples participate strongly in the opiate economy. We should recall that the entire Hazarajat region was subjected to the *Jagir* system where ethnic Durrani Pashtuns were appointed to administer land holdings. Given this historic fact, and the presence of some Pashtun “civilian” populace in Uruzgan, it may be the case that Pashtuns are responsible for production here. The best remedy to this confusion is to have the UNODC resume reporting the ethnic makeup of the villages that they survey, which they did only on the first Afghanistan opium survey in 1994, so that policy-makers have a better sense of the local political dynamics which they must confront to develop counter-narcotic strategies.<sup>88</sup>

The trends of the Afghan opium poppy production will be discussed momentarily, but we must note here that production is spreading throughout Afghanistan. The primary

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<sup>88</sup> The UNODC reported village ethnicity only in their first Afghanistan survey in 1994.

known means of spread has an ethnic component: itinerant labor in Afghanistan has traditionally worked within ethnically similar villages, and itinerant labor has been a key factor in the spread of opium poppy cultivation throughout Afghanistan. It turns out that, in 1999, one third of itinerant workers were landless. Of the remaining two-thirds, some had insufficient land area to be self-sufficient producing licit crops, and as a group they had less than half of the land area of the opium farmers on whose land they worked. Expertise gained through itinerant labor inspired many workers to return to their smallholding plots, which could be profitable via poppy cultivation, and thereby introduce the opium economy to their home provinces.<sup>89</sup> Others returned to their larger holdings and applied their new skills as well.

The trends in provinces under cultivation are one of the most disturbing areas of the Afghan opiate economy. Each year has seen an increase in the number of producing provinces: 18 in 1999, 23 in 2000, 24 in 2002, 28 in 2003 and *all 32 provinces* in 2004.<sup>90</sup> Twenty-one provinces achieved record levels of area under poppy cultivation in 2004. While the area under cultivation in the top six provinces increased by 54 percent in 2004, it increased by 87 percent in 2004 for the rest of the country. This is important not just in the net change in total poppy cultivation, but in the change in behavior of farmers who did not traditionally participate heavily in this activity but now are showing much stronger interest.

However, this picture is not without hope. The top three provinces account for 56 percent of the land area cultivated in poppy in 2004, and the top six account for 72 percent. The remaining 26 provinces cultivate only 28 percent of the area dedicated to poppy, and most of them are very new to poppy cultivation, so it is not entrenched in the political-economic *qawm* structure. It is possible to exterminate the business from many provinces in the next few years. In fact, cultivation in Wardak province voluntarily declined from 2,735 hectares (ha) in 2003 (or 3.7 percent of the total that year) to 1,017 ha in 2004.<sup>91</sup> This 63 percent reduction is cause for optimism, as farmers attributed their

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<sup>89</sup> UNODC, *Opium Survey 2004*, 107.

<sup>90</sup> UNODC, *Opium Survey 2004*, 23. In 2004, Afghanistan subdivided two provinces to create 34 in total: UNODC analysis for 2004 was begun with 32 and is reported using the boundaries as established under the 32 province map.

<sup>91</sup> A hectare is equal to 2.47 acres.

reduced participation to lower-than-expected yields in their 2003 crops and limited poppy-growing experience.<sup>92</sup> All of the “newcomer” producers in 2004 have limited growing experience, and lower-than-expected yields characterize the 2004 harvest across most of the country as well, as discussed next.

In spite of a dramatic increase in the *land area* dedicated to poppies, there was a comparatively small increase in the estimated total *opium produced* as compared to 2003, which means the kg/ha yield fell significantly. Reasons for this include drought in much of Afghanistan, crop disease, and attempts at harvesting early to avoid eradication, which produced a lower yield.

Opium production for 2004 is estimated to be 4,200 metric tons, a 17 percent increase over 2003’s estimate of 3600 metric tons, substantially smaller than the 64 percent increase in hectares dedicated to poppy production. Afghanistan’s 2004 product is 87 percent of the world opium supply. While the UNODC did change its methodology in 2004 with respect to how much opium gum is produced per hectare, this methodological change is assessed to produce estimates equivalent to those produced using the old methodology. Farmers also reported poor soil conditions (specifically, lack of quality fertilizers; surveyors also noted poor awareness of the need for crop rotation), early harvest due to announced eradication efforts, and a lack of experience with poppy cultivation as factors. Farmers expected their yields per hectare to drop by 40 percent based on these factors, and the actual drop was about 30 percent as indicated by the new methodology.

Based on Wardak’s voluntarily reduced poppy cultivated in 2004, motivated largely by a lower-than-expected yield in 2003, it is worth noting that Wardak, Parwan, Kabul, Logar, Paktya and Khost, collectively termed the “Central” region in UNODC analyses, had the lowest aggregate yield of all of the regional blocks used in the Survey; yield was only 17.5 kg/ha (+/- 4.7). Farmers in Parwan, Paktya and Khost experimented with greatly increased poppy cultivation in 2004,<sup>93</sup> so their disappointing yield offered a

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<sup>92</sup> UNODC, *Opium Survey 2004*, 43. The data cited was originally published in the UNODC’s *Farmer’s Intentions Survey*, October 2003.

<sup>93</sup> UNODC, *Opium Survey 2004*, 14

policy opportunity to motivate reduced participation for the 2005 growing season. We will have to see what their response in 2005 has been when the UNODC publishes its survey this fall.

## **2. Extent of Social Participation in Cultivation**

Developing viable policy options is impossible if we do not consider opium production in terms of the farmers involved. In 2004, UNODC Survey data indicate that 356,000 families (range between 320,000 – 393,000 families) participated, a 35 percent increase over 2003's level of 264,000 families. This translates into about 2.3 million persons, which is 10 percent of the total Afghan population, or 14 percent of the rural population. These data do not include the large numbers of itinerant workers who are critical during labor-intensive periods, estimated in the late 1990s at 480,000 and believed to be slightly higher in 2004. On average throughout Afghanistan, 33 percent of families *in villages where opium poppies are grown* participate, but fully 80 percent of those families in producing villages participate in Nangarhar. In Hilmand, 65 percent of families participate, and in Badakshan the rate is 47 percent.<sup>94</sup> It is clear that in the highest-production provinces, the practice is deeply entrenched in the social fabric. However, in the Central region, where yield in 2004 was particularly low, only 19 percent of families participate, potentially indicating a much more permissive environment to advance policies which make poppy cultivation socially and economically less acceptable. The cultural discussion in Chapter II should make it clear that the extent of family participation will directly influence the political-economic dynamics of the *qawms* which choose to produce.

One critical aspect of the social participation in opium poppy cultivation is how large an area the typical farmer dedicates to opium cultivation. The average plot size, per family, is .37 hectares. In terms more familiar to Americans, this is .9 acre. Provinces where production is deeply entrenched in the social fabric plot sizes are typically larger (.44 ha) and smaller in areas where opium poppy cultivation is new (.21 ha). Photographs of vast poppy fields, which occasionally appear in the press and on some publication covers, offer a patently unrepresentative image of reality. Poppy cultivation areas do not usually comprise the entire parcel of land allotted to a family for agricultural

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<sup>94</sup> UNODC, *Opium Survey 2004*, 62: applies to all data in this paragraph

use: they usually will have licit crops, essential to their financial and caloric well-being, growing immediately adjacent to their opium poppy. These cultivation areas, controlled by the *qawm*, are in very close proximity to living areas and sources of water. This is a fundamental complication when it comes to eradication policy, particularly proposals to conduct aerial eradication using chemical sprays. Within the cultural context of Afghan experience, one of the most dreaded means of attack used by the Soviets on Afghan rural society involved gunship helicopters. Aerial eradication in any form will naturally be directly associated with this Soviet example of attack on rural infrastructure because the average Afghan simply does not experience aviation in all of its forms on a daily basis. The political backlash against the government for either conducting or allowing such activity is predictable, and would pose a serious challenge to government stability.

### 3. Surveyed Motivations for Poppy Cultivation

A final set of data on the production side is derived from the *Afghan Farmers' Intentions Survey* for 2003 – 2004. As in past reports, farmers were asked what motivated them to participate in the opium poppy economy, and this year for the first time responses were also rank ordered and collated in terms of the frequency of response for each reason given.

Table 2. Main Reasons for Cultivating Opium Poppy in 2004. <sup>95</sup>

Reasons	Regions					Afghanistan
	Eastern	North eastern	North western	Central	Southern	
Poverty alleviation	<b>33.3%</b>	24.0%	26.0%	28.2%	32.7%	30.1%
High sale price of opium	27.6%	20.8%	24.0%	27.4%	<b>32.7%</b>	27.8%
Possibility of "salaam"	17.8%	<b>21.9%</b>	10.4%	19.4%	20.9%	18.1%
Purchase of luxury items	0.4%	6.3%	<b>20.1%</b>	7.3%	3.6%	6.5%
Expected compensation from eradication	6.2%	<b>16.7%</b>	6.5%	4.0%	2.5%	5.9%
Scarcity of agricultural land	<b>4.9%</b>	3.1%	-	1.6%	1.8%	2.4%
Shortage of water	<b>7.1%</b>	1.0%	1.9%	-	0.4%	2.4%
External pressure to grow	-	2.1%	<b>3.2%</b>	-	1.1%	1.1%
High cost of wedding	-	-	-	<b>4.8%</b>	0.7%	0.9%
Indebtedness	-	1.0%	-	<b>4.0%</b>	0.7%	0.9%
Low price of other crops	-	-	<b>1.9%</b>	0.8%	1.4%	0.9%
High cost of agricultural inputs	-	-	<b>2.6%</b>	-	0.7%	0.7%
Unemployment	1.3%	-	-	<b>2.4%</b>	-	0.7%
No assistance from NGOs and Gvt	-	<b>2.1%</b>	-	-	0.4%	0.3%
Other	1.3%	1.0%	3.2%	-	0.4%	1.1%
<b>Grand Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>95</sup> United Nations Office on Drugs and Crime, *Afghanistan Farmers' Intention Survey 2003/2004*, (Vienna: UNODC, 2004), 17, [http://www.unodc.org/pdf/afg/afghanistan\\_opium\\_survey\\_2004.pdf](http://www.unodc.org/pdf/afg/afghanistan_opium_survey_2004.pdf), (accessed 29 November 2004).

The data presented in Table 2 indicate that the primary motivations for planting poppy involve meeting basic economic needs. Where the perceived lucrative expectations in cultivation were not met, poppy will lose some of its future cache as a get-rich-quick (or, attain-survivability-quick) scheme, especially if farmers know that they will not be compensated for eradicated poppies. Also, many farmers wish to use opium production as a ticket to accessing informal credit, since formal credit systems are not functioning in the country. These overall assessments should be used to inform policy development for the production side of the opium economy in Afghanistan.

#### **4. Farming Economics: The Basic Commodity Prices**

Farmgate prices, i.e. the payments to farmers, are critical to the economic calculations which motivate cultivation. We should note up front that prices vary by the *type* of opium gum (freshly harvested is “wet” opium; “dry” opium is that which has been naturally or oven-dried to reduce its water content), by the *region* in which it was grown (due to both variations in morphine content and in economic factors), and by the *time* at which harvest occurs (due to larger economic forces of supply and demand). Price data are collected by interviewing farmers throughout the country.

For fresh (wet) opium gum at time of harvest in 2004, the aggregate (country-wide) price averaged U.S. \$86/kg. When weighted by regional production levels (useful for calculating total market value) the average price was slightly higher at \$92/kg (+/- \$3). Dry opium prices averaged \$138/kg, with a regionally weighted price of \$142/kg (+/- \$4).<sup>96</sup> Prices for fresh opium are down 75 percent from their peak of \$350/kg in the 2002 harvest season, and are 67 percent lower than the 2003 price of \$283/kg. This is an important shift, except that prices are still two to three times as high as the \$23 - \$40 range typical during the second half of the 1990’s.<sup>97</sup> Additionally, it offers a larger dollar income per hectare than other alternative farming products; specific comparisons will follow the opium market discussion.

An interesting opium pricing trend is that prices declined in 2004 as the summer progressed, as seen in Table 3. This can be read as a market reaction to overproduction, and this will have influenced decisions on whether and how much to plant for the 2005

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<sup>96</sup> UNODC, *Farmers’ Intention Survey 2003/2004*, 65.

<sup>97</sup> UNODC, *Farmers’ Intention Survey 2003/2004*, 65.



season, or taken with an alternative spin, to what extent it is desirable to comply with the government ban on cultivation. This summer-long decline held almost absolutely true for dry opium prices (a slight increase for Western prices, three days after the average for Southern provinces), and the only exception for fresh opium was the farm-gate price for the Eastern provinces.

Table 3. 2004 Opium Prices at Harvest Time, Regional Breakdown<sup>98</sup>

Region	Avg. date of Price Collection	Avg. Fresh Opium Prices	Confidence Interval ( $\alpha = 0.05$ )	Avg. Dry Opium Prices	Confidence Interval ( $\alpha = 0.05$ )
<b>Eastern:</b> Nangarhar, Kunar, Laghman, Nuristan, Kapisa	26 Apr	94	+/- 2.9	192	+/- 5.7
<b>Southern:</b> Hilmand, Uruzgan, Kandahar, Zabul, Ghazni, Paktika	13 May	123	+/- 2.8	150	+/- 2.9
<b>Western:</b> Ghor, Herat, Farah, Nimroz	16 May	106	+/- 2.8	158	+/- 4.4
<b>Central:</b> Parwan, Paktya, Wardak, Khost, Kabul, Logar	26 May	97	+/- 3.8	133	+/- 9.8
<b>Northern:</b> Bamiyan, Jawzjan, Sari Pul, Baghlan, Faryab, Balkh, Samangan, Badghis, Kunduz	26 May	66	+/- 1.4	109	+/- 3.3
<b>North-Eastern:</b> Badakshan, Takhar	27 Jun	42	+/- 2.3	65	+/- 3.8
Unweighted Avg.	21 May	86	+/- .8	138	+/- 2.7
National Avg. Weighted by Production	---	92	+/- 2.5	142	+/- 3.8

Regional production and economic factors also impact the price of opium gum observed. Several noteworthy price factors are given in the Survey for the Northeastern provinces, as they have had consistently lower prices than other regions in the 2002, 2003, and 2004 Surveys. One reason is that irrigation is heavily used in the Northeastern provinces, which may dilute the morphine content of the opium gum when it is harvested. Next, opium prices in Tajikistan are lower than those in Iran, which impacts trafficker's ability to pay farmers a higher price. Additionally, farmers in southern and eastern Afghanistan are generally free to pick their trafficker, while in Badakshan (the primary northeastern production area) some local leaders control trafficker access to farmers. This allows the traffickers to offer lower prices since the farmer has fewer outlets to sell their opium. Often, at least part of the trafficker's savings is kicked back to the local leader to pay for the reduced competition. Finally, the Northeastern provinces have seen

<sup>98</sup> UNODC, *Farmers' Intention Survey 2003/2004*, 66.

some of the fastest growth in production over the last few years, which may indicate that their market is saturated.<sup>99</sup> There are two implications for policy based on this information. First is that the opium economy is segmented geographically; it is not cartelized across the entire country. This pattern follows the ethnically-based trafficking patterns, discussed below. Confronting a segmented economy will require coordinating efforts to reduce cultivation and trafficking simultaneously within a particular geographic/ethnic segment so that supply (cultivation) and demand (traffickers purchasing) are reduced together. Second, within at least some segments of the cultivation side of the economy, there is some coordinated behavior which suppresses farmer incomes. This may allow higher incomes for the trafficking side of the economy, which is where the majority of funding for anti-government interests is found (discussed below).

## 5. Farming Economics: Cultivator Profits

By combining the estimated production levels and the surveyed farmgate prices, it is possible to estimate the income Afghan farmers receive from participating in opium poppy production. For 2004, farmers earned \$600 Million (range: \$540 - \$665 Million), down 41 percent from the 2003 level of \$1,020 Million and half of the 2002 total of \$1,200 Million.

Table 4. Farm-gate Value of Opium Production in 2004 <sup>100</sup>

Region	Production of dry opium in kg	Confidence interval (kg)	Price of dry opium per kg in US\$	Confidence interval (US\$)	Farmgate value in million US\$	Range (million US\$)	
						min	max
Eastern	1,190	+/- 73	192	+/- 5.7	229	208	250
Southern	1,346	+/- 97	150	+/- 2.9	202	184	221
Northern	532	+/- 59	109	+/- 3.3	58	50	66
Western	346	+/- 25	158	+/- 4.4	55	49	60
North-eastern	724	+/- 54	65	+/- 3.8	47	41	53
Central	82	+/- 22	133	+/- 9.8	11	7	15
National total	4,220	+/- 329	142	+/- 3.8	601	540	665
Rounded	4,200				600		

Table 4 demonstrates how uncertainty within each portion of the analysis compounds to produce significant levels of potential variation in what the actual (real-

<sup>99</sup> UNODC, *Farmers' Intention Survey 2003/2004*, 66. Closely paraphrased.

<sup>100</sup> UNODC, *Farmers' Intention Survey 2003/2004*, 71.

world) numbers may be versus the simplified representative estimates that are published and widely used (see the Confidence intervals and Range). However, using the simplified number, the \$600 Million figure for 2004 represents 13 percent of Afghanistan's licit 2003 Gross Domestic Product of \$4.6 Billion, down from 2003's level of 22 percent of GDP. Average per-farm-family income from opium was just \$1700 in 2004, down from \$3900 for 2003, and per-capita opium income for farmers was \$260, down from \$600; this is a 56 percent drop in per-capita income from opium poppy, which is a huge decline. Keep in mind that these are gross income levels, before farmers pay for expenses.

The UNODC 2003 Farmer's Intentions survey found that approximately 46 percent of gross opium income was consumed by labor costs, fertilizer, seed, and *payments to local leaders*, given 2003 price and income structures.<sup>101</sup> Considering that farmers likely did not fully anticipate the 56 percent drop in income due to falling opium prices, then something more than 46 percent of the 2004 harvest income would be consumed by the input costs if those costs remained fixed. One cost which would not be fixed is the fairly standard payment of 10 percent of gross income to local leaders (although in some districts payments range as high as 40 percent), and this would have fallen with gross income as well. The important lesson here for promoting government stability by strangling the rural portion of the bifurcated rentier economy is that, given the \$600 million going to cultivators, only about \$60 million (or slightly more, depending on the prevalence higher tax rates) would end up funding local leaders. Of that \$60 million, some significant portion must be spent on taking care of *qawm* needs; otherwise new potential *khans* would have a chance to take over. So realistically, although a hard dollar figure is impossible to derive from the available data, only an extremely small fraction of the estimated \$2.8 billion dollar opiate economy ends up in a position, via the cultivation side of the opiate economy, to either fund counter-government activity directly or to subvert it indirectly through corruption. On a cost-benefit basis, there is an extremely limited potential *direct* impact on strangling counter-government funding through anti-cultivation efforts.

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<sup>101</sup> UNODC, *Farmers' Intention Survey 2003/2004*, 72.

Some counter-narcotics policy advisors choose to focus on the *indirect* impact of targeting cultivation and claim that they are beneficial to counter-narcotics efforts. Two indirect impacts that are often noted as positive are that there is a reduction in the available opium product for traffickers, and traffickers are forced to pay more to peasant farmers for a scarce product. This line of argument ignores several key factors. First, within Afghanistan any reduction will be temporary so long as demand for cultivated product continues. With only 1.8 percent of arable land being dedicated to poppy, there is plenty of room for cultivators to expand (exponentially) the area they dedicate to poppy. Other production constraints can be met as well. Migrant labor from neighboring countries could fill the field preparation and harvesting labor requirements. Opium poppy does not require irrigation. Creating a shortage for fresh opium will drive up prices *which motivates higher future production levels*. So any shortage produced will be temporary because the market has the capacity to produce even more than the record levels recently seen. Second, opium gum can be stored for years, and this is commonly practiced in Afghanistan. Traffickers can substitute stockpiled opium gum to absorb acute shortages in the market, which gives them time to put pressure on farmers to increase production levels. Stockpiling mitigates some of the upward price pressure for fresh opium, but not all of it, and traffickers have other means of influencing farmer, or *qawm*, behavior, as discussed below. Third, the alleged benefit of increased profits for peasant farmers is a fool's gold analysis; farmers do not truly benefit for several reasons. The international community is spending hundreds of millions each year to develop licit agricultural and economic alternatives to opium poppy cultivation. Raising the price of fresh opium gum merely undercuts the attractiveness of those alternatives, which perpetuates the illicit economy that traps peasant farmers into producing for criminal elements in society. Additionally, farmers are trapped by the informal loan system into producing opium gum at fixed price levels; any increased value per unit of opium gum will go directly to the informal loan originators, who are often traffickers. This is the next topic of discussion.

## **6. Farming Economics: Informal Opiate-Economy Loans**

Some costs to farmers are understood at the individual level, but the variations are not documented in terms of their aggregate prevalence. One example comes with the

informal agricultural loan system. Approximately 45 percent of the farmers interviewed in the Farmer's Intentions survey intended to take out an agriculture loan in 2004 (average intended amount was \$700) so that they could cover costs and meet living expenses in the months before harvest. Loans may be repaid in cash, or in the form of a *salaam payment*, i.e. with agricultural produce at time of harvest; this distinction is not fully documented in terms of aggregate prevalence, and is a key gap in the UNODC survey data.

In opium producing provinces, agriculture loans are often taken from opium traffickers, who structure the loan as a *salaam* payment; the farmer agrees to sell his product to the trafficker well before harvest time, and the farmer is paid about 50 - 60 percent of the opium market prices at the time of the loan. With a stable farmgate price, this amounts to a usury interest rate of 66 – 100 percent for a loan taken out six to seven months before harvest.<sup>102</sup>

The impacts of a cash-repayment loan and a *salaam*-repayment loan are given here through example. In 2004 farmgate prices dropped 56 percent from 2003 levels: if a loan was structured to be repaid in cash, the farmer could sell their opium product and get cash to repay most or all their loan, depending on how much of the expected value of their harvest they borrowed. For example, if a farmer expects their 2004 harvest to be worth \$1,000 based on 2003 prices, decides to exchange 80 percent of his expected harvest for a loan, he would get \$400 in cash (50 percent of the \$800 value expected at harvest). If the farmer produces the amount of opium gum he expected, his crop would only be worth \$460 dollars gross due to the 56 percent drop in farmgate price, but he can repay the trafficker in cash to cover the loan. Thankfully the farmer only financed 80 percent of his crop; otherwise he/she (there are female opium farmers) would owe more cash than they had income. The lesson is that farmers who take cash loans have a chance to escape indebtedness to traffickers, and can choose to not cultivate opium the next year. Such may not be the case with *salaam* payment loans where the farmer must give a set amount of opium gum to the trafficker, especially if the farmer took the loan very early in the growing season, *before a reduced per-hectare yield could be anticipated*. From 2003

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<sup>102</sup> UNODC, *Farmers' Intention Survey 2003/2004*, 73.

to 2004, per-hectare yield dropped from 45 to 32kg/ha. In this case, farmers would have to buy opium on the open market to repay the debt in kind, which they likely do not have the cash to do, or else the debt will be carried over to the next year's production. Now the farmer must cultivate opium next year, perpetuating the opiate economy. This is exactly what is reported to have happened when 1998's crop was less successful than anticipated,<sup>103</sup> leading to a dramatic increase in production for 1999.

This discussion brings out a critical factor in developing counter-narcotic policy—farmers get trapped into production merely to fulfill *salaam* payments because legitimate rural credit is not available to help farmers get through tough times. Additionally, farmers become beholden to those who have liquid assets, and this often means traffickers. This has inherent political implications, within both traditional *qawm* politics as well as the democratic system which the Coalition is trying to establish.

## **7. Impact on Food Production**

Opium poppy income is essential to farmer's income and well-being, given the current cost structures for the Afghan agriculture market. Across the country, the estimated average gross income per hectare for opium was \$4,600/ha (92 percent of the opium poppy fields were irrigated), as compared to \$390/ha for wheat grown in fully irrigated fields (UNODC provided only an aggregate average price for *all* wheat grown, on irrigated and rain-fed land, which was \$260/ha.; only 45 percent of wheat grown was irrigated).<sup>104</sup> This amounts to nearly 12 times the gross income per hectare for opium production on irrigated land. Even in light of the significantly higher input costs for opium cultivation, the opiate economics almost seem to demand participation. While labor costs for opium harvesting remained fairly stable in 2004 compared to 2003, at \$6 to \$7 per day plus three meals for itinerant workers, farmers were able to avoid some cost by using less hired labor and enlisting their family members during the harvest, once a reduced income was anticipated due to falling opium gum prices.<sup>105</sup>

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<sup>103</sup> UNODC, *The Role of Opium as a Source of Informal Credit, Strategic Study #3, Preliminary Report January 1999*, [http://www.unodc.org/pakistan/en/report\\_1999-01-31\\_1\\_page007.html](http://www.unodc.org/pakistan/en/report_1999-01-31_1_page007.html), (accessed 30 November 2004).

<sup>104</sup> UNODC, *Opium Survey 2004*, 73.

<sup>105</sup> UNODC, *Opium Survey 2004*, 74.

Although opium cultivation benefits the individual farmer (and employees/family), it has a disproportionately large negative impact on the nation in terms of the opportunity costs of land, labor, and economic structure, and in terms of reduced caloric production. Land area dedicated to cultivation of cereal crops dropped 21 percent from 2,819,000 hectares in 2003 to 2,221,000 hectares in 2004, while opium cultivation increased from 80,000 to 131,000 hectares. This means the approximately 50,000 hectare increase in opium accompanied a nearly 600,000 hectare drop in cereals production.<sup>106</sup> The easy economic answer would say the price levels and potential incomes drive the choice to opium, and that wheat is not worth the effort. While this accurately conveys part of the picture, it is not the whole story. In 2003, farmers reported an *inability to harvest licit crops* such as wheat due to constrained farm labor availability: itinerant workers chose to harvest opium fields instead because the wages were higher. Labor shortages in 2003 convinced farmers to reduce the area under licit cereal cultivation in 2004.<sup>107</sup>

To add to the deficit in licit consumables production, fully 92 percent of the land dedicated to opium cultivation in 2004 was irrigated, while only 45 percent of land dedicated to *wheat* was irrigated. Yield per hectare for irrigated wheat was 3.6 times that of non-irrigated wheat for 2004. The cost of these choices becomes clear when viewed at the bottom line: due to reduced cultivation of cereals, drought, and priority for irrigation going to opium, Afghanistan produced only enough cereals (wheat accounts for 81 percent of cereal production) to meet 66 percent of its needs in 2004, as compared to meeting 97 percent of its needs in 2003.<sup>108</sup> Had all of the irrigated poppy land been dedicated to wheat instead, Afghanistan would have met an additional 6.7 percent of its needs. Now, if we consider that labor for harvesting wheat would have been perceived to be available (because it would not be forecast to be dedicated to poppy), the 600,000 hectare reduction in cereal production may not have occurred. If these 600,000 hectares were dedicated purely to non-irrigated wheat production (the most conservative

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<sup>106</sup> UNODC, *Opium Survey 2004*, 48.

<sup>107</sup> UNODC, *Opium Survey 2004*, 74.

<sup>108</sup> UNODC, *Opium Survey 2004*, 61.

assumption) then an additional 9.2 percent of cereal needs would have been met. All tolled, Afghanistan could have met nearly 82 percent of its cereal needs instead of just 66 percent.

The impact that this has on central government stability, and therefore being of prime concern to us, is two-fold: first, this would have allowed a shift of limited international aid resources to longer-lasting investment other than food aid, and would provide more long-term jobs to local Afghan citizens based on the need to transport, store and process a larger volume of domestic cereals for local consumption.<sup>109</sup> Second, aid agencies are beginning to realize that external subsidies of food provides a huge disincentive to domestic food production, and external food aid must also be understood in terms of the impact it can have on disrupting the local economic relationships embodied in the *qawm* structure. When the *qawm* structure is threatened, we are risking the breakdown of civil society as it has historically and culturally been constituted in Afghanistan, and which has provided the marvelous resiliency of the Afghan peoples.

### **C. OPIATE TRAFFICKING**

This section of the paper will discuss the limits of our knowledge about opiate trafficking and attempt to draw policy implications from what we do know about the topic, keeping in mind that our strategic goal is to strengthen and protect the Afghan central government. This section is organized around the four observations mentioned in the introduction to this chapter. The first observation that although the numbers used to calculate the profits earned by traffickers are highly speculative, it is clear that the trafficker share of the market dwarfs that earned by cultivators and is increasing with time. The next section discusses the economic segmentation and ethnic nature of the trafficking market. Third, it is worth emphasizing that trafficking obeys the laws of supply and demand, which is essential to consider when formulating policy responses to this part of the problem. Finally, the fundamental lesson of the trafficking portion of the opiate economy is found when we consider the contribution it can make to anti-government interests which thrive on the rural portion of the bifurcated rentier economy.

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<sup>109</sup> These percentages and analysis are my own, extrapolated from the productivity factors listed in the Survey.



## 1. Challenges of Identifying the Trafficking Market Valuation

The unclassified body of information on trafficking opium and derivative products in Afghanistan is somewhat limited, but the available data does provide some very important insights. Consider the following quote from “The Opium Economy in Afghanistan,” a 2003 UNODC publication:

In short, Afghan groups, in general, do not appear to participate in lucrative international drug trafficking operations. The involvement of Afghan groups/individuals is basically limited to the opium production, the trade of opium within Afghanistan, the transformation of some of the opium into morphine and heroin, and to some extent, the trafficking of opiates (opium, morphine, heroin) to neighbouring countries (Iran, Pakistan, Tajikistan, Turkmenistan and Uzbekistan)<sup>110</sup>

This observation greatly simplifies estimating the potential scope and profitability of the opium and derivative products trade with respect to Afghan trafficking networks. However, that calculation is still quite complex, and involves some significant uncertainty in the data; therefore a clear answer to who is profiting and to what extent is not achievable with the available data.

Information on trafficking in Afghanistan comes from several sources. A major source of data on what is being trafficked, prices of trafficked goods, and who is trafficking is obtained from arrest and seizure records in Afghanistan and neighboring countries. Another source is the use of surveys and observations at of *de facto* legal markets in Afghanistan (many of which have been closed down by the central government) as well as in neighboring countries. Additionally, surveys and observations of functioning markets may provide useful *price* information, but it is difficult to accurately assess the *volume* of trafficked goods through such markets beyond the typical and extraordinary transaction sizes. Therefore our calculation of the overall market value and potential profits of the trade suffers. Four areas of market valuation uncertainty deserve further discussion; these are: variations in opium gum quality and the volume of heroin which can be derived from it; the market impacts of stockpiling opium gum; the variations in what is actually being trafficked; and the veracity of extrapolating market generalizations based on data collected in law enforcement actions.

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<sup>110</sup> UNODC, *Opium Economy in Afghanistan*, 64.

a. *Variations in Opium Gum Quality, and in Conversion Rates from Opium Gum to Heroin*

Data on opium gum quality and conversion factors have historically been done using survey and market pricing information, but laboratory testing efforts in the past few years have enabled new methodologies and conversion factors to be developed for the 2004 Afghanistan Opium Survey.

There is significant variation in the quality of opium gum farmers produce, based on weather, irrigation, soil quality, crop disease, the plants themselves, and other factors. The morphine content of the opium gum naturally impacts its price. Morphine content also affects the amount of opium gum needed to produce a final heroin product of a desired grade. Quality of a final heroin product is also a variable for processors and traders, as they may add adulterants to boost the volume of the powder. This gives traffickers “more” to sell and perhaps larger earnings (our ultimate concern, in terms of the bifurcated rentier economy), but this practice also cuts the purity which may *lower* the market price and therefore earnings, depending on competing goods available at the time of sale. The degree these factors off-set may vary by time, region, and traders involved—this is a gap in our knowledge which challenges our ability to calculate actual market value.

A fundamentally critical variable for estimating the total market’s worth involves determining the actual conversion rate for processing raw opium gum into heroin. For much of the world, it is estimated that 10 kilos of opium gum will yield 1 kilo of heroin. Through 2003, this factor was applied to estimates of Afghan production. Data in the Afghanistan Opium Survey 2004 are now calculated using 6-to-1 and 7-to-1 ratios to establish upper and lower limits to heroin-equivalent estimates of “dry” opium gum production. This new conversion factor is based on chemical analysis, not on survey data or merely applying the “traditional” conversion rate used for heroin production in other parts of the world, where crop quality is different based on local conditions. At first glance, this would indicate that more heroin can be produced from the same amount of opium gum.

The UNODC debates whether more heroin is *actually* produced, i.e. they are arguing their estimates for previous years were valid. They base this argument on

speculation that farmer's pre-harvest *estimates* of yield from previous years' surveys actually reported "fresh" or "wet" opium gum yields, with water content constituting about 30 - 40 percent of the weight of fresh opium gum. Once dried, the "new" 6:1 to 7:1 conversion factor becomes valid,<sup>111</sup> and the new yield methodology discussed in the cultivation section (directly measuring poppy capsule volumes to estimate yield) is calibrated to indicate *dry* opium yield.

This logical explanation given by the UNODC does not hold up. The discussion on the new *yield* methodology instituted in 2004 claimed it produced valid estimates because it produced similar results for yield in Badakshan in 2004 as were produced in Badakshan in 2003 (both non-drought production years), with the 2003 estimate using the old survey methodology. However, the conversion factor discussion says that farmers likely gave a "wet" or fresh opium estimate in the surveys, and that the new yield methodology is calibrated to produce estimates of *dry* opium gum volume. It cannot be the case that *both* the new yield measuring methodology produces kilogram-per-hectare yield estimates similar to the old methodology of pre-harvest farmer surveys (discussed in the Appendix) *and* that the old 10:1 conversion factor and the new 6.5:1 (+/- .5) produce similar results. The result is that, overall, the 2004 results are less comparable to previous years results in terms of establishing reliable trend analysis. If the new methodologies continue to be applied, then future years' estimates may be compared with greater confidence to establish aggregate market value trends.

***b. Stockpiling of Opium Gum***

A second difficulty in calculating market value is that some amount of opiate product is stockpiled as a means of future security or wealth. Opium gum stores very well without degrading, so it has become a means to store wealth in the absence of a rural banking structure. Stockpiling challenges our market valuation through two mechanisms. First, not all the product is trafficked to the border around the time of harvest, but aggregate calculations assume that it is all trafficked because we have no way of knowing how much may be stockpiled. Second, when stockpiling is considered in terms of the large price variations seen over the course of any one year, it is very difficult to accurately calculate potential incomes for traffickers—they may benefit from

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<sup>111</sup> UNODC, *Opium Survey 2004*, 107.

holding back product until prices rise, or be forced due to personal finance reasons to move product when prices are at their lowest. Many of the UNODC calculations are done using opium gum prices at time of harvest, which is when prices are usually at their lowest.<sup>112</sup> The extent to which stockpiling (which would reduce the annual value if it is held over to the next year) and delayed shipment (which would garner higher trafficking prices during non-harvest times) may offset each other in terms of aggregate market value is unknown.

*c. What is Being Trafficked, and Where*

Third, uncertain estimates of what is being trafficked (opium gum or heroin) and where it is being sold affect calculations of the gross income of traffickers. Over the past several years, increasing amounts of opium have been converted into heroin before crossing the Afghan border, boosting the value added and potential profits while decreasing the likelihood of being caught (due to heroin's decreased volume and elimination of the pungent odor of opium gum). This assessed change in what is smuggled is based on discoveries (and destruction) of heroin processing labs in Afghanistan, including 130 "fixed" and 20 "movable" laboratories in 2003 alone,<sup>113</sup> and an increase in the seizures of heroin, especially in Iran where enforcement tends to be the strongest in the region. Law enforcement in neighboring countries claim that there are no heroin processing labs in their respective jurisdictions and the UNODC has no information to the contrary, so the presence of heroin in neighboring countries is attributed to conversion in Afghan labs. For 2004, it is assessed that 23 percent of seizures of opiates are taken in the form of opium, and 77 percent are in the form of heroin or morphine (percentages expressed in terms of opium equivalents using the 6.5:1 conversion).<sup>114</sup> These percentages are deemed to be representative of actual refining practices for market value calculation purposes; no attempt is made to assess how much more likely opium is to be detected based on its bulk and odor.

The UNODC acknowledges many of these limitations and their implications:

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<sup>112</sup> UNODC, *Opium Economy in Afghanistan*, 61.

<sup>113</sup> UNODC, *Opium Survey 2004*, 105.

<sup>114</sup> UNODC, *Opium Survey 2004*, 105.

About 90% of opium seizures have regularly taken place in Iran in recent years, followed by Pakistan. This suggests that the bulk of opium, which was not further processed, is trafficked out of Afghanistan via Iran. One key question, nonetheless, is whether seizures are an accurate reflection of trafficking patterns in the region. Given very strong enforcement efforts by the Iranian authorities, there is indeed a certain systematic bias in favour of Iran, leading to a possible over-representation of the importance of Iran as an outlet of opium produced in Afghanistan. Also, some of the opium seized in Iran is actually trafficked via Pakistan to Iran. As opium prices in Iran – reflecting strong enforcement efforts – tend to be higher than in Pakistan or Tajikistan, the over-representation means that the calculated income for Afghan groups from opium trafficking is probably an over-estimate.<sup>115</sup>

Variations in law enforcement capacity among neighboring countries, their aggressiveness, and their accuracy in reporting may skew aggregate pictures of what is being trafficked and who is doing it. Seizure reports are one of the key pieces of evidence we have as to what types of illicit drugs are moving (opium gum or heroin) and how much of it is moving through particular markets. Since there are significant price differences between opium gum and heroin, *and* price variations among the different countries to which these illicit goods are moved, knowing how much is moving where is essential to calculate the aggregate value of the opium economy in Afghanistan. But law enforcement quality varies: if laws are not enforced, there will be no seizures or arrests to report. Seizure reports may also be exaggerated to create an appearance of effective enforcement, especially to meet international pressures. Additionally, the nature of the products themselves provides law enforcement with serious challenges, even when they operate with the highest degree of professionalism. Opium gum is far more bulky and often has a very pungent odor, increasing the likelihood of detection and seizure, whereas heroin is very amenable to concealment, so estimates of what is being trafficked based on what is reported to have been seized may not be as accurate as we truly need them to be.

***d. Border Cost and Price Structures***

Fourth, actual profit for traffickers involves the variable prices paid to farmers or to opium bazaar shop-keepers, “transit” taxes paid to local commanders and warlords who control shipment routes, prices traffickers are paid when they smuggle the goods to neighboring countries and other variables by region. We have a reasonable

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<sup>115</sup> UNODC, *Opium Economy in Afghanistan*, 65.

assessment as to what farmers are paid, and “transit” taxes to corrupt locals may be more of a case-by-case phenomenon than a systemic cost, and therefore introduce a smaller amount of uncertainty in total market profits. However, in addition to the challenges to knowing into which country (and therefore into which general price structure) opiates are flowing, we also have uncertainty as to the price and cost structures traffickers encounter at any given border. This is an essential systemic variable, because we must reasonably determine the actual value of payments to traffickers. This is difficult to establish for two reasons. First, there have been issues such as variations in black market currency exchange rates.<sup>116</sup> Second, we don’t know how far traffickers smuggle the goods into neighboring countries. We know that average opiate prices deep within neighboring countries are higher than what is paid in close proximity to the Afghan border.<sup>117</sup> The Afghanistan Opium Survey 2004 attempted to account for this by using “border region” prices; this is a positive development, but this makes the 2004 data less comparable to previous surveys.

In all, these are just the major complications to calculating aggregate market value that we know of, and there are many other small factors and probably other limitations of which we are not aware. However, we must use the information we have available. The only complication discussed above which truly threatens the comparability of 2004 data to previous years’ data, in order to establish trends in the market, is the issue of conversion rates, albeit a significant threat. Having made ourselves mindful of these complications, we must proceed to an analysis of trends in the trafficking market.

## **2. Trends in the Aggregate Market Value**

In spite of the aforementioned limitations, we may calculate an aggregate market value. Using a methodology first developed for use in *The Opium Economy in Afghanistan*, published in 2003, which factors in “production, extent and degree of involvement of Afghan traffickers in shipping opiates abroad, proportion of the transformation of opium into heroin & morphine in Afghanistan, conversion rate into heroin, prices in main export markets etc.,” the UNODC reports that the total potential income from opium production (gross income for farmers and traffickers) is \$2.8 billion

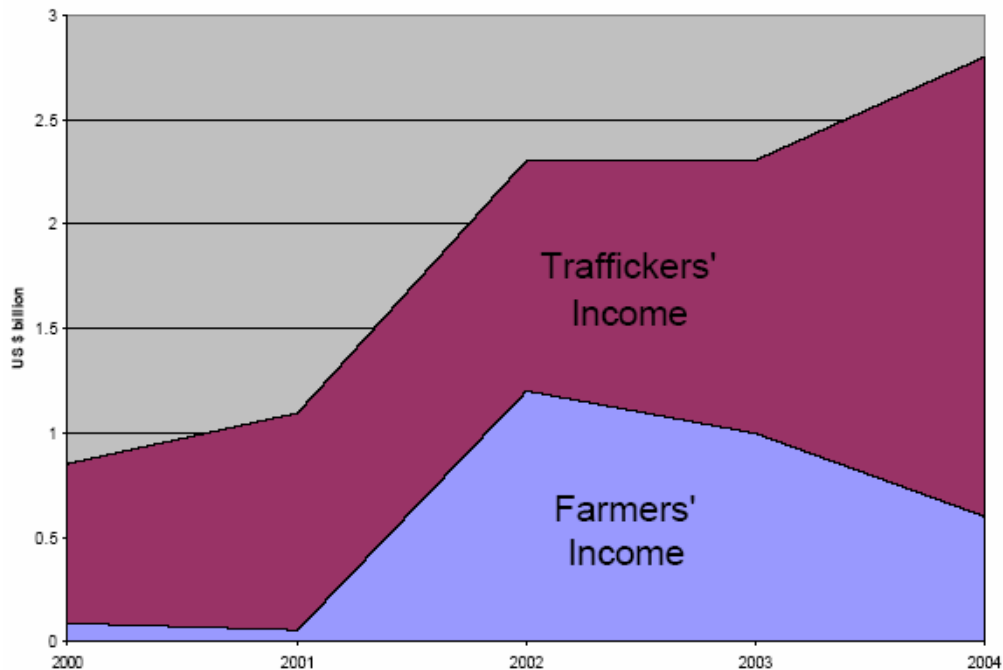
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<sup>116</sup> UNODC, *Opium Economy in Afghanistan*, 59.

<sup>117</sup> UNODC, *Opium Economy in Afghanistan*, 68.

(Range: \$2.4 - \$3.2 billion) for 2004, up from \$2.3 billion in 2003, and \$2.5 billion in 2002.<sup>118</sup> In short, the whole opiate economy is quite large. When we subtract out the \$600 million gross which we are reasonably certain goes to cultivators, we are left with a trafficking gross value of \$2.2 billion for 2004.

Figure 2. Distribution of Opium Related Income, 2001-2004 (From UNODC Data, Graphed and Published in *Afghanistan 2005 and Beyond, Prospects for Improved Stability Reference Document*).



The prevailing trend is that traffickers' share of the opiate economy dwarfs farmers' income. The one exception is 2002, when farmer's income rose precipitously. Recall that in 2001, the Taliban banned poppy cultivation, but not trafficking (UNODC estimates only 200 MT of opium gum production in 2001). This had the effect of clearing (much of) the stockpiled opium gum from the market. In the next growing year, there was a very high demand for fresh opium gum, presumably to meet consumption and stockpile demand. Farmgate prices for fresh opium gum rose to U.S. \$350/kg in 2002, whereas in 2000 they were just U.S. \$28/kg. Production in 2002 was 3,400 MT in 2002, compared to 3,300 MT in 2000—production was nearly identical, but the value of the crop increased dramatically, but only temporarily. Crop values since 2002 have fallen, however, even as overall production has increased (to 4,200 MT in 2004) and the overall

<sup>118</sup> UNODC, *Opium Survey 2004*, 75.

value of the opiate economy has continued its rise, to threefold its 2000 valuation.<sup>119</sup> The market is returning to its typical pattern, which is that traffickers profit heavily from the ongoing economy, while farmers earn very little beyond meeting expenses.

We should note for policy purposes though the following critical observation that is often overlooked: other smuggling activities involving goods imported into Afghanistan duty-free via Pakistan in accordance with the 1950 Afghan Transit Trade Agreement, and then smuggled back into Pakistan to avoid Pakistan's tariff rates, has historically been more lucrative than the entire opiate economy according to World Bank estimates.<sup>120</sup> This is critical in terms of understanding the rural portion of the bifurcated rentier economy, and what must be done to confront it. Counter-trafficking efforts, such as policing transit routes and strict border controls, will pay dividends not just in terms of countering the most lucrative portion of the opiate economy, but also in countering the hugely lucrative illicit movement of "licit" goods which circumvent Pakistani tariffs. In contrast, investments in counter-cultivation efforts, such as eradication programs, will contribute nothing to strangle this contributor to the rural portion of the bifurcated rentier economy. This issue of smuggling to circumvent tariffs does not get much play because it doesn't put drugs on European, Russian, Central and South Asian streets: it buys up goods produced in developed economies. Post-9-11, "terrorism" is a key watchword, and "narco-terrorism" is an easy extrapolation to accommodate (and, particularly useful when arguing to protect access to funding, even though this does not imply a fundamental restructuring of counter-narcotic theories, policies or practices). But "counter-tariff-evading-terrorism" just doesn't satisfy the mass consumption sounding board. We must not let this public relations fact take away from our logical analysis of the threats we face in Afghanistan—tariff evasion smuggling *does* contribute to the illicit economy in the rural Afghan sector which is part of a bifurcated rentier state economy. This is a threat to stable Afghan central governance, and as such we must take note and confront it. Counter-trafficking investment serves to confront both opiate and tariff-evading cargo smuggling, and therefore has greater utility in strangling the rural portion of the bifurcated rentier economy.

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<sup>119</sup> UNODC, *Opium Survey 2004*, 58, 65, 75.

<sup>120</sup> UNODC, *Opium Economy in Afghanistan*, 12.



### 3. A Geographically and Ethnically Segmented Market

Several important structural aspects of the opiate trafficking practices in Afghanistan have been determined with reasonable certainty, and these have policy implications. The first involves the character of the market, which actually functions as several sub-markets. The root causes of this are that Afghanistan's decrepit transportation infrastructure did not make cross-country transport easy, transit taxes and seizures by warlords made such trips risky and expensive, and much of the trade is conducted within ethnic groups (which reach across borders) due to trust relationships; such trust relationships generally are much harder to establish across ethnic groups. Consequently,

Opium markets in southern Afghanistan were oriented towards Iran and southern Pakistan (Baluchistan); those in eastern Afghanistan were oriented towards northern Pakistan (North-West Frontier Province), and those in northern Afghanistan were oriented towards Central Asia, notably Tajikistan.<sup>121</sup>

Although some of the barriers to cross-Afghanistan transport have been reduced, the UNODC still assesses that the market remains fragmented. It will be interesting to see how this may change as the Ring Road is repaired, and as the central government institutes its centralized jail system for narcotics offenders. These two developments may lay the groundwork for a more unified drug market, even to the point of cartelization—at least within ethnic group structures if not across them. This complication must be looked for and confronted immediately as our policy response to the opiate economy continues.

The ethnic nature of smuggling in Afghanistan is typical of world-wide smuggling patterns, and there are several implications for the opiates production and trafficking market which derive from this characteristic. First, the UNODC asserts that it is not typical for Afghans to venture out into the wider smuggling world, where much larger potential profits from heroin can be made, unless they follow ethnic enclaves into foreign countries. There are, however, some reported Afghan smuggling rings in Europe and Russia, and a prominent Afghan trafficker was arrested in New York in the summer of 2005, which may indicate that extra-Afghanistan activity is developing. Second, while

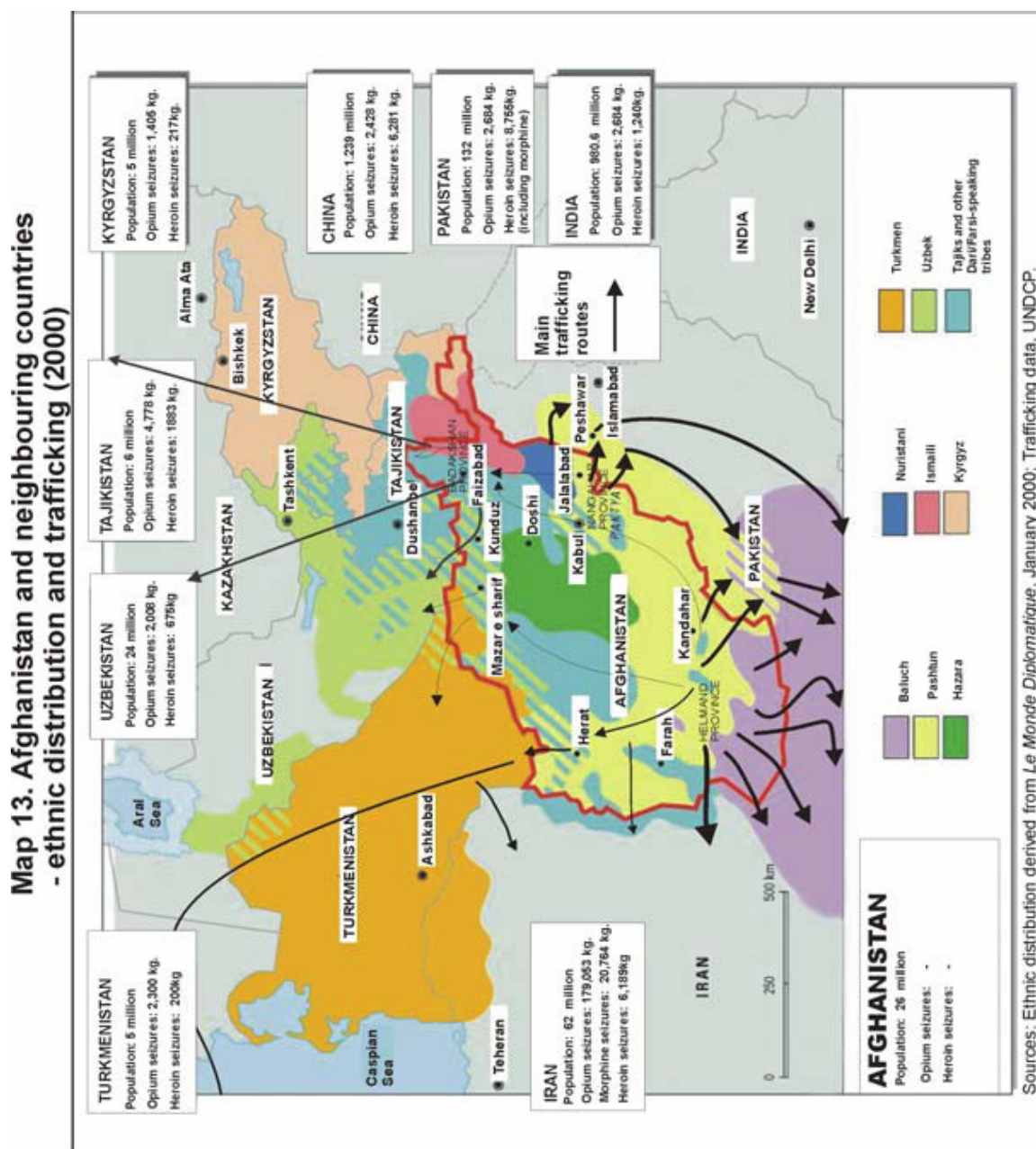
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<sup>121</sup> UNODC, *Opium Economy in Afghanistan*, 54. This reference applies to the quote and to information in the preceding sentences.

the ethnic distributions of peoples in Afghanistan is highly concentrated regionally, it is absolutely the case that there are small enclaves of ethnic groups embedded as ethnic minorities in other regions who engage in poppy cultivation and therefore have ties to ethnically-related trafficking groups in other regions of Afghanistan. Two prominent examples are the Tajiks in southern and south-western Afghanistan, and the Pashtuns in the Hazarajat region. In order to present the significance of this fact, I must presage a potential policy recommendation for the cultivation side of the economy, which would be to approach it with a rollback strategy confronting areas where it is relatively new and not deeply entrenched instead of trying to eradicate and eliminate it everywhere at once (the defense and acknowledged complications of this approach will be discussed at length in Chapter V). If a rollback strategy for cultivation were adopted, we must be highly cognizant of the possibility that the rollback could be reversed through ethnically-similar itinerant labor whose home is in the entrenched cultivation areas bringing not just cultivation and harvesting expertise (which may expire only slowly in areas rolled back) but more importantly fresh connections to active trafficking groups who would seek to re-establish poppy cultivation.

Figure 3 is a shorthand way to summarize the ethnic patterns of trafficking: it is taken from the UNODC publication *The Opiate Economy of Afghanistan*. (Figure 3 is shown next page).

Figure 3. Afghanistan and Neighboring Countries—Ethnic Distribution and Trafficking Routes (From: UNODC, *The Opiate Economy of Afghanistan*, 2003)



The UNODC generally is mute about who, specifically, is involved in the opiates trade, although they do provide a fairly comprehensive analysis by ethnic group and by region as to what populations are involved with production, in *The Opium Economy in Afghanistan*. In an October 2004 article in the Boston Globe, Colonel David Lamm, chief of staff for U.S. forces in Afghanistan was quoted as saying “We know where the

drug traffic moves, we know who profits, and we are beginning to deal with it.”<sup>122</sup> Such specific detail was not found while searching unclassified venues, and reproducing such information is beyond the scope of this paper. Not mentioning names intentionally serves to reset the theoretical framing of the issue away from traditional law enforcement approaches—this is not to say that law enforcement is somehow not important, it is actually essential to our efforts. My point is that the law enforcement framework often does not explicitly recognize the functioning of a bifurcated rentier economy or prioritize its efforts on strangling that economy’s ability to challenge central governance. Instead it focuses on reducing the amount of available drug product on American, or European, or other streets. This is a very valuable goal, but it does not lend itself to prioritizing law enforcement efforts on stabilizing the Afghan government over other countries’ needs.

#### **4. The Laws of Supply and Demand**

It is important to note that the opiates market in Afghanistan operates much as any other commodity market: price changes tend to be driven by available supply, and those prices feed back into future producer and trafficker behaviors.<sup>123</sup> When opium production rises, prices fall and there is less production in the following year; the obverse also holds true. Some interesting price movements have been noted in the market. Prices spiked in early 2002 when an eradication program was announced by the central government. Prices were also impacted when

many of the stocks in the Taliban controlled areas of southern and eastern Afghanistan were moved to neighbouring countries after September 11 in order to avoid destruction in air strikes. This created an opium supply shortage for clandestine laboratories and prompted them to pay premium prices when the new harvest came on to the market.<sup>124</sup>

The implication for policy is that efforts to destroy supply through eradication will drive up prices and induce greater future participation in the cultivation side of the market. Alternatively, if heroin production labs are destroyed and their operators arrested and jailed, demand for farmer’s goods will fall, and farmgate prices will follow until production also declines.

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<sup>122</sup> Anne Barnard and Farah Stockman, “US Weighs Role in Heroin War in Afghanistan,” *Boston Globe*, 20 October 2004, <http://opiods.com/afghanistan/heroin-economy.html> (access 21 October 2004).

<sup>123</sup> UNODC, *Opium Economy in Afghanistan*, 55.

<sup>124</sup> UNODC, *Opium Economy in Afghanistan*, 58.

## **5. The Bottom Line: The Opiate Trafficking Contribution to the Rural Portion of the Bifurcated Rentier Economy**

A substantial portion of the trafficking discussion has focused on the uncertainty about the factors used to calculate the overall \$2.8 billion dollar figure for the worth of the Afghan opiate economy. This is not meant to say that the number is wrong, just to put it in proper context so that, if in 2005 the number is \$2.5 billion we don't immediately proclaim with absolute certainty that substantial progress is being made.

What must be clearly accepted is that the opiate economy is huge, and that only about 21 percent (\$600 million out of \$2.8 billion) goes to cultivators. Of that cultivation income, an estimated 10 percent (or 2 percent of the overall opiate economy) goes to local leaders in the form of *qawm* payments. Much of the *qawm* payments would be expected to be used to meet *qawm* needs. So, from cultivation, something substantially less than 2 percent of the opiate economy (it may be generous to say just .4 percent or one fifth of payments to *qawm* leaders) could be used to support counter-government activity. Given the 79 percent of the opiate economy that goes to traffickers, it would be extremely unlikely that the trafficking side of the opiate economy does not contribute (or have the capacity to contribute) a far larger sum to counter-government activity in the normal course of business. Trafficking organizations in other regions of the world must contend with significant seizure rates, and yet their profit margin on each unit of drug is high enough to more than pay for the losses. It is clear that the trafficking portion of the opiate economy has the largest potential to fund activities that threaten the stability of the Afghan central government. This is full justification to consider focusing our counter-narcotics investment on the trafficking side of the opiate economy.

### **D. INFORMATION AVAILABLE IN 2005**

The UNODC Afghanistan Opium Survey 2005 will not be published until the fall of 2005, so detailed information as to what happened this year is not yet available. However, the UNODC did publish their *2005 Afghanistan Opium Poppy Rapid Assessment Survey* in February and statements by some officials can give us an insight as to what to expect this year.

According to the *Rapid Assessment Survey*, there is an overall trend towards decreasing cultivation through most of Afghanistan. Cultivation area is expected to have

decreased in 29 provinces, and increased in just 5 (the UNODC is using the 34-province map for their 2005 assessments). The five provinces expected to increase are Kandahar, Farah, Baghlan, Sari Pul and Badghis; these five provinces accounted for only 10 percent of the total cultivation area in 2004. Of these, only Kandahar made the list of the top six cultivators in 2004, contributing just 4 percent of the total.<sup>125</sup> The UNODC notes that at the time the survey was conducted (early February) the northern provinces were just entering their poppy sowing window. Farmers were closely watching eradication activity under way in the south at the same time they were beginning to prepare their fields for planting—the threat of eradication is known to discourage some farmers from cultivating, so the net impact of this remains to be seen. The evidence derived from this, as well as from the evaluation of the effectiveness of eradication activity itself, will be central to the discussion on developing future policy avenues.

Even though cultivation area is expected to have decreased, yield may not fall in conjunction with this decrease. This will impact the overall value of the opium economy in 2005. Drought is not assessed to be as much of a problem in 2005, so yields per hectare will likely go up. Eradication had very little impact on cultivation this year; the May 26 update of the Congressional Research Service Report, *Afghanistan: Narcotics and U.S. Policy*, cites a discussion with a U.S. official in Washington D.C. who asserts that the CPEF largely failed to meet their eradication targets.<sup>126</sup> An e-mail from a retired British officer serving the Afghan Government in the Central Eradication Planning Cell provides a mixed assessment of CPEF accomplishments. He cites several cases of interference in effective eradication efforts, ranging from delays caused by U.S. military forces new to the theater and unfamiliar with CPEF activity, to Afghan villagers responding violently to eradication, to intentional interference from Afghan officials, stating

we have been led a merry dance by [name deleted] and his crony [name deleted] who stalled our intent to eradicate in our target areas... and

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<sup>125</sup> United Nations Office on Drugs and Crime, *Afghanistan Opium Poppy Rapid Assessment Survey March 2005*, (Vienna: UNODC, 2005), [http://www.unodc.org/pdf/publications/rapid\\_assessment\\_afghan\\_2005.pdf](http://www.unodc.org/pdf/publications/rapid_assessment_afghan_2005.pdf), 6, (accessed 07 April 2005).

<sup>126</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, .33.

insisted on taking the force on 50 km treks each day to second-rate fields that had frequently been lanced before!<sup>127</sup>

He claims certain successes, however. The CPEF undertook a coordinated information campaign combined with pre-cultivation CPEF visits to the provinces of Nangarhar and Laghman, which the CPEF official credits as the source for a significant reduction in poppy cultivation in those two provinces. In Laghman, the official cites an expected drop from 2700 hectares in 2004 (UNODC numbers) to just 300 hectares. We must wait for the UNODC report to confirm (or refute) these numbers. Again, eradication effectiveness is a central concern, and fundamental to the current policy approach adopted by the United States and Great Britain in 2005.

In terms of economic evidence towards what is happening in 2005, the *Rapid Assessment Survey* indicates that the market price for opium gum in February was essentially unchanged from what it was in 2004, \$189/kg.<sup>128</sup> (Recall that prices fluctuate through the year; the fact that this is roughly double the price for fresh opium at harvest time is not in itself highly disturbing.) This indicates that the market expects supply to be balanced with demand equally well in 2005 as it was in 2004. Possible interpretations include: that demand remains unchanged and the market expects yield to increase even though cultivation area is expected to decrease; that demand remains unchanged (or increased) and any shortfall due to reduced cultivation can be compensated by stockpiled opium gum; or that demand fell commensurate with projected supply. This author has found no reports of a sudden drop in demand for heroin across Europe, Russia, the Middle East or Asia. The bottom line is that the market expects stability; when U.S. and international interests require that we decrease the size of this market, this is not good news.

## **E. CHAPTER CONCLUSIONS AND SUMMARY**

This chapter set out to discuss the Opiate Economy in Afghanistan, and explore the ways in which it fits into the cultural context and the concept of a bifurcated rentier economy developed in Chapter II in order to further understand how this economy is a threat to central government stability.

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<sup>127</sup> Author's access to e-mail sent to Instructor at Naval Postgraduate School, sent 07 June 2005.

<sup>128</sup> UNODC, *Rapid Assessment Survey 2005*, 6; UNODC, *Opium Survey 2004*, 68.

Four primary lessons were developed through the cultivation discussion and five in the trafficking discussion. These are:

- Cultivation has become deeply entrenched in the rural economies—and therefore political-economic *qawm* structure—of just a few provinces, but has recently spread to at least have a marginal presence in *every* province of Afghanistan.
- Many farmers are trapped into opium poppy cultivation for economic reasons (in terms of income and market capacity for licit alternatives), financial reasons (in terms of lending practices and credit availability), and cultural reasons, each of which must be addressed in policy.
- The patterns of opium poppy cultivation strongly contribute to the fact that Afghanistan has lost the ability to reliably feed itself. This is critical beyond the normal humanitarian concerns, as it alone and international food aid responses can jeopardize the stability of the *qawm* structure which is essential to the stability of the Afghan social fabric.
- Only a small portion of the overall opiate economy (meaning the drug-related portion of the rural rentier economy) ends up in the hands of cultivators, and much of that small slice is consumed by costs.
- The trafficking-related data used to produce the aggregate value of the opiate economy is not as certain as the cultivation-related data.
- In spite of the uncertainty in the aggregate valuation, we know that the market value is quite large, it is growing, and that trafficker's share of the economy is vastly greater than the cultivator's share, and that share is growing.
- Trafficking price structures are segmented by geographic area across the country, and these geographic breakdowns largely mirror ethnic divisions within the country—which follows from the trust relationships developed through ethnic connections, typical of smuggling activity world-wide. Importantly, the market segmentation indicates cartelization has not set in across the country.
- Trafficking functions as a commodity market, with the inherent policy implication that policy impacts on market motivations must be considered.
- The fundamental lesson of the trafficking portion of the opiate economy is the major contribution it has on the rural portion of the bifurcated rentier economy. This is consistent with the fourth lesson of the cultivation discussion.

Additionally we must recall that there is another funding stream to the rural rentier economy, which is the illegal smuggling of goods to circumvent Pakistan's tariff structures. Keeping these lessons in mind, along with the cultural aspects discussed in



Chapter II, we are now ready to present and evaluate the policy positions taken and advocated by the various parties who are confronting the Afghan opiate economy, which is the subject of Chapter IV.

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## IV. COUNTER-NARCOTICS POLICY ANALYSIS

Since the fall of the Taliban, many groups have attempted to influence the counter-narcotics policies developed for Afghanistan. This chapter will begin with a review of the broader policy environment in which counter-narcotics policies operate, namely that the United States and international presence in Afghanistan is there primarily to stabilize and strengthen Afghan governance in order to deny sanctuary to terrorist organizations. This policy environment has presented some complications for counter-narcotics policy, and these overarching complications will be addressed up front. Next, the chapter will review and assess the counter-narcotics policies of Afghanistan, the United Kingdom, and the United States (the primary contributors to this policy area) using the lessons developed in Chapters II and III. These critiques will show that there are many valuable aspects to the efforts so far, but that there are also some fundamental flaws and counter-productive approaches which must be avoided.

### A. THE BROADER POLICY ENVIRONMENT, AND COMPLICATIONS FOR COUNTER-NARCOTICS POLICY DEVELOPMENT

There would not be a significant international counter-narcotics effort within the borders of Afghanistan absent the U.S.-led Global War on Terrorism provoked by the attacks of 9-11. For the several European contributors to counter-narcotics enforcement and law enforcement training, the mere logistics of projecting their forces into Afghanistan would have prevented their presence absent the war on terrorism. Certainly, the United States would not have invested the level of resources it has to confront the Afghan opium economy, which accounts for only 7 to 10 percent of the heroin on U.S. streets, according to the Drug Enforcement Administration's Heroin Signature Program report of March 2002.<sup>129</sup>

As a result of 9-11, the full weight of U.S. and international policy interest did fall on the Taliban regime of Afghanistan. After the Taliban's removal, the first formally written and pronounced policy declaration for post-Taliban Afghanistan came in the form of the *Afghanistan Freedom Support Act of 2002*, PL-107-327, signed into law on 04

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<sup>129</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 21.

December 2002, one day before the Bonn Agreement. Section 101 of the act, Declaration of Policy, established U.S. policy interests for Afghanistan as

(1) ...[S]upport efforts that advance the development of democratic civil authorities and institutions in Afghanistan...;

(2) The United States, in particular, should provide its expertise to... fight the production and flow of illicit narcotics, and aid in the reconstruction of Afghanistan;

(3)...ensure that Afghanistan does not again become a source for international terrorism.<sup>130</sup>

From the very beginning, counter-narcotics was understood to be a fundamental priority in the United States response in Afghanistan, and this was seconded for the International Community and the Afghan Interim Government in the Bonn Agreement, section V, Final Provisions, which states

The Interim Authority shall cooperate with the international community in the fight against terrorism, drugs and organized crime.<sup>131</sup>

The United Kingdom was designated the lead Coalition partner responsible for counter-narcotics policy and assistance; this is a role in keeping with the country's domestic concerns, as up to 95 percent of the heroin sold on British streets comes from Afghanistan.<sup>132</sup>

In spite of the fact that counter-narcotics was established as a central concern from the very beginning, there are several aspects of the broader environment to which counter-narcotics policy must adapt, which have served to greatly complicate the formulation of a sound counter-narcotics policy.

### **1. The Conceptual Framework of Counter-Terror vs. Counter-Narcotics**

U.S. and Coalition forces on the ground fighting the remnants of the Taliban and al Qaeda soon came to rely on intelligence information from militia commanders who were *de facto* local and regional powers. Many of these militia commanders were and are

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<sup>130</sup> *Afghanistan Freedom Support Act of 2002*, Public Law 107-327, *U.S. Statutes at Large* 116 (2002) 2797.

<sup>131</sup> *Agreement on Provisional Arrangements in Afghanistan Pending the Re-Establishment of Permanent Government Institutions* (The Bonn Agreement), 05 December 2001. <http://www.afghangovernment.com/AfghanAgreementBonn.htm>, (accessed 28 August 2005).

<sup>132</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*, 26 May 2005, 22.

involved in the narcotics trade, but this involvement was overlooked as a result of their assistance on counter-terrorism.

The first argument to abandon this duality is that there has been evidence since early 2004 that “Al Qaeda operatives and sympathizers have been captured trafficking large quantities of heroin and hashish and attempting to trade drugs for Stinger missiles.”<sup>133</sup> This means that the problems are at least connected, if not highly related, and that higher priority should be given to counter-narcotics efforts than it has received to date.

This first argument against subordinating counter-narcotics views the problem in highly tactical terms, and it does not challenge the assumption that counter-terror and counter-narcotics are two separate areas of interest. When the policy arena is viewed at the strategic level, the best counter-terror activities are ones which stabilize the Afghan central government, so that it can displace terrorist activities from its territory. If it can be successfully argued that the opiate economy is the foundation for the primary threats to stable Afghan governance, then we may assert that robust counter-narcotic activity is entirely consistent with and fundamental to counter-terror objectives, and thereby defuse the conceptual framework that asserts we must choose between counter-terror and counter-narcotic activities. The next several paragraphs will argue that the opiate economy is the foundation for the primary threats to stability, and do so by reviewing and linking the other primary complications to developing counter-narcotics policies.

## **2. Opium Underpins Afghanistan’s Economic Recovery**

A fundamental complication to implementing counter-narcotics policy in Afghanistan is that the opiate economy is essential to the limited economic growth and stability witnessed in Afghanistan today—if the opiate economy were rapidly dismantled, the licit Afghan economy would collapse as well. The Congressional Research Service, citing the World Bank report referenced above, states the opiate economy:

- has produced a significant increase in rural wages...

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<sup>133</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*, 26 May 2005, 22.

- [is] a significant source of credit for low income and rural households...
- [functions such that its] profits fuel consumption of domestic products and support imports of high value goods such as automobiles and appliances...
- [is] a major source of investment for infrastructure development projects....<sup>134</sup>

The CRS report also quotes a February 2005 International Monetary Fund report, stating:

the IMF warned that the new counternarcotics efforts, if successful, “could adversely affect GDP growth, the balance of payments, and government revenue” by lowering drug income and weakening its support for domestic consumption and taxed imports.<sup>135</sup>

The fact that drug money is illicit is eclipsed by the fact that it currently is essential to the health of Afghanistan. What is clear is that real economic development and a carefully paced dismantling of the opiate economy is required, no matter what the implications for continued funding of anti-government interests—it does no good to attack a brain tumor by cutting off blood flow to the brain.

### **3. Ethnic Crystallization Threatens Traditional Afghan Governance Practices**

Chapter II discussed the forces of ethnic crystallization which arose during the Soviet occupation, both in the form of communist propaganda which advanced its own interpretation of nationality or ethnic identity, as well as the ethnically segmented funding streams the Pakistan Directorate of Inter-Services Intelligence disbursed to fund various mujahidin groups. In terms of the broader policy arena, ethnic crystallization could present a fundamental challenge to the well-honed Afghan governance technique of fragmenting opposition groups. This poses three main concerns, one for the broader policy arena and two which relate more directly to counter-narcotics policies.

In terms of the broader policy arena, one concern raised by ethnic crystallization would be ethnically cohesive blocks operating as political parties within the parliament—this would give ethnic groups access to government services and investment on the basis

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<sup>134</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*, 26 May 2005, 17.

<sup>135</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*, 26 May 2005, 17.

of ethnicity, a self-reinforcing model to further entrench ethnic identity, and therefore be less susceptible to fragmentation into manageable blocks, or at least blocks incapable of threatening central governance. Research soon to be published by Thomas H. Johnson will show extremely strong evidence that ethnic identity is a fundamental determinant of political preference and expression in post-Taliban Afghanistan, so this complication may be a *fait accompli*. If this develops, it could greatly complicate stabilization, and at the extreme result in a Balkanization of the Afghan territory.

The non-traditional commanders and their organizations which developed out of the anti-Soviet *jihad* were largely formed along ethnic lines. Ethnic crystallization in general gives them the same resistance to fragmentation by the central government as would apply to ethnically-based political parties. There are two counter-narcotic specific concerns in addition to the general complication. First, the ethnic aspect of cultivation and trafficking indicates that a careless application of counter-narcotics policies could reinforce the ethnic crystallization process within these non-traditional commander groups, especially if counter-narcotics targeting is perceived to be lenient to some ethnicities and harder on others. Second, there is the possibility that non-*qawm* trafficking revenues flowing through ethnic connections *may already be reinforcing* ethnic identity in a manner similar to the effect of the funding streams given by the Pakistani ISI. Whatever the Afghan government and international community can do to prevent the public perception of counter-narcotics enforcement from being characterized as being ethnically based or biased may be essential to the long-term stability of Afghanistan.

#### **4. Regional Complications to Counter-Narcotics Policy**

The United States has fairly clear goals in mind for the future of Afghanistan; however, these do not always line up with the goals of regional power brokers, who are inclined to pursue their own national interests regardless of the fact that they may conflict with U.S. interests. One example is Pakistan, which has since independence held deep concerns for the irredentist claims made by Afghan Pashtuns (particularly by the Durrani) to reunite with their Pashtun brethren in Pakistan who were separated from the political whole of the Pashtun dynasty by the colonially-imposed Durrand line. Pakistan does wish to see a stable Afghanistan, which would allow Pakistan to establish trade routes

with and pipelines from central Asia, but does *not* wish to see an Afghanistan capable of, or having a motivation to, challenge established international boundaries. Especially in terms of a democratic Afghanistan, should that be fully achieved, the Pashtuns who currently constitute about 42 percent of the Afghan population would have a tremendous incentive to bring more of their ethnic brethren into the Afghan political process in order to guarantee Pashtun rule via a clear majority status.

Pakistan has been willing to fund anti-American power centers in Afghanistan in order to challenge the historically-strong Durrani Pashtuns, from whom the royal Pashtun line is drawn. During the anti-Soviet *jihad*, the Pakistani ISI funneled the largest share of its funding (most of which was provided by the United States and Saudi Arabia) to Gulbuddin Hekmatyar, a Ghilzai Pashtun from the province of Kunduz, who has since his earliest political days been staunchly *anti-American*.<sup>136</sup> Hekmatyar's historic base of support during the anti-Soviet *jihad* in Afghanistan was in the Jalalabad area of Nangarhar province<sup>137</sup>, and the political party he founded, Hizb-i Islami (Gulbuddin) (HIG), currently has bases of support in at least Kunduz, Kunar, Logar, Laghman and Wardak.<sup>138</sup> Nangarhar has typically been the second largest cultivator of opium poppy in Afghanistan since the early 1990s, and the remaining provinces have seen increasing cultivation (with the exception of Wardak) since Hekmatyar's return to Afghanistan in 2002. Evidence that Hekmatyar continues his connection to the opiate economy comes from the September 13, 2004 edition of the *Washington Times*, which wrote "in a third raid in the neighboring Zabul Province, soldiers found opium stockpiles owned by renegade warlord Gulbuddin Hekmatyar and his Hizb-i Islami terror organization."<sup>139</sup> Barnett Rubin notes that Hekmatyar was the only *mujahidin* commander to employ systematically opiate economy profits for political and military organization during the anti-Soviet *jihad*.

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<sup>136</sup> Thomas H. Johnson, *Financing Afghan Terrorism: Thugs, Guns, Drugs, Interlopers, and Creative Movements of Money*, Chapter 9 of a soon-to-be published work, 20. The forthcoming book is "Terrorist Financing and State Responses: Comparative Perspectives" Harold A. Trinkunas and Jeanne Giraldo, eds.

<sup>137</sup> Johnson, *Financing Afghan Terrorism*, 21.

<sup>138</sup> Shahin Eghraghi, "Hekmatyar: The Wild Card in Afghanistan," *Asia Times*, January 07, 2004, [http://www.atimes.com/atimes/Central\\_Asia/FA07Ag01.html](http://www.atimes.com/atimes/Central_Asia/FA07Ag01.html), (accessed 30 August 2005).

<sup>139</sup> Rowan Scarborough, "Terrorists Tap into Illicit Drug Trade," *The Washington Times*, September 13, 2004. Cited by Thomas Johnson.



So we have established that Pakistan is willing to pursue its own interests in advance of U.S. interests even during periods of tremendous Pakistan-U.S. cooperation (which is pragmatically understandable from a certain perspective), and that they have aligned themselves with non-traditional Afghan commanders who systematically employ illicit funding mechanisms. We will further build the case by noting that Pakistan's ISI used Hekmatyar resources to train *jihadi* fighters who went to the contested border region of Kashmir,<sup>140</sup> an involvement which Pakistan has denied, succeeding in forcing the sustained deployment of 200,000 soldiers of the Indian Army.<sup>141</sup> Establishing plausible deniability in operations which advance Pakistani political interests, especially when overt action is not possible, provides an invaluable opportunity for Pakistan. Additionally, these plausibly deniable operations, funded by illicit sources, are the most cost-effective way to advance Pakistani interests. The monetary costs of tying down a large portion of the Indian Army using overt, formal institutions would place a far greater burden on the treasury of Pakistan.

Finally, the fact that Pakistan has cooperated on counter-narcotics efforts does not indicate that they will prohibit persons who advance their political interests to undertake illicit activities, even if those activities nominally appear to counter other portions of Pakistan's interests. For example, during the period in which Pakistan supported the rise of the Taliban (again, to establish a stable government which would facilitate trade but would not pursue irredentist claims), Pakistan did very little to control the trafficking of tariff-evading goods, which cost Pakistan millions in lost tariff revenue, because the Taliban profited from the trade and seemed to be the only game in town to provide nominal stability for Pakistan's wider interests. In short, even though this cost millions, it was the least expensive way to advance Pakistani interests, much in the same way the *jihadi* campaign in Kashmir appeared to be a comparatively inexpensive way to inflict great cost on India.

So Pakistan (or more fairly, portions of the Pakistani government) has a motive to allow non-traditional commanders who utilize illicit revenues to continue the opiate

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<sup>140</sup> Steven Coll, *Ghost Wars: the Secret History of the CIA, Afghanistan, and Bin Laden, from the Soviet Invasion to September 10, 2001*, (Penguin Books, New York, 2004), 292.

<sup>141</sup> Vali Nasr, , class notes from *Islamic Fundamentalism*, Naval Postgraduate School, Monterey, California, Summer 2005.

trade; their presence will keep the central government of Afghanistan occupied enough in the long term to prevent Afghanistan from pursuing an irredentist claim. They have an opportunity, in the forms of the extensive opiate trafficking through Pakistan and non-traditional commanders such as Hekmatyar who are willing and capable of tapping this economy. Pakistan has a precedent of using Hekmatyar for plausibly deniable operations to advance interests which could not be openly pursued without great risk. Finally, such an undertaking is likely to be the least expensive to the Pakistan treasury—much less than what would be required to sustain a larger military needed to put down a separatist Pashtun insurrection within Pakistan.

## **B. POLICIES OF THE MAJOR COUNTER-NARCOTICS CONTRIBUTORS**

From the beginning of the rebuilding process, the opiate economy in Afghanistan was a central focus of both the Afghan and international leadership. The G-8 designated the United Kingdom as the lead nation for coordinating the Coalition and Afghan counter-narcotics efforts in Afghanistan, and less than a month after being established, the Afghan Interim Authority declared a ban on opium poppy cultivation and trade on 17 January 2002.<sup>142</sup>

Since that time, the major contributors to counter-narcotics policy—the United Kingdom, Afghanistan, and the United States—have diverged somewhat in their own preferences as to how the opiate economy should be confronted, although there has been a continual process of collaboration and attempts to build consensus on what the approach should be. The competing policy approaches have developed into either a patient, coordinated and collaborative effort using multiple programs to reduce and eventually eliminate cultivation and trafficking, versus a more aggressive attack on cultivation which de-links coordinated implementation of supporting programs in order to rapidly collapse the opiate economy by deterring future cultivation. Each approach has its own affects on state-society relations, economic stability, and likelihood for long-term counter-narcotics success, and the shift towards a more aggressive approach for the 2005 planting season has had mixed results. Tracing the policy evolution of the various contributors to counter-narcotics policy provides key lessons for future counter-narcotics policy development, especially when the course of that evolution is analyzed in terms of

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<sup>142</sup> UNODC, *Opium Economy in Afghanistan*, 7, 32.

its impact on stabilizing the Afghan central government, which must remain the primary goal of the Coalition. This section of the chapter will present the evolution of policy emphasis for each of the major policy contributors separately.

### **1. Counter-Narcotic Policy Development for the United Kingdom, the Afghan Interim Government and the Afghan Transitional Authority**

The United Kingdom has a strong motivation to reduce the heroin on its streets, 95 percent of which comes from Afghanistan. In spite of this strong motivating factor, from early 2002 to near the end of 2004, the United Kingdom advocated a very patient and balanced approach to confronting the opiate economy. According to Robert Charles, Assistant Secretary for International Narcotics and Law Enforcement Affairs in the U.S. State Department, the United Kingdom focus has been drug law enforcement, capacity building, and demand reduction.<sup>143</sup> Through 2004, the British maintained a significant awareness of the Afghan farmer's economic dependence on opium poppy, and a strong willingness to ensure that the basic needs of farmers be considered in counter-narcotics policy implementation, even to the point that this consideration led to poor policy choices. As with all of the major contributors, the United Kingdom places a strong emphasis on eradication, but the means and prioritization preferred by Britain distinguished their preferences from those of the United States. At the end of 2004, the United Kingdom experienced a shift in their policy preferences, brought about by the disappointing increase in Afghan opiate economy made known in the 2004 UNODC Afghanistan Opium Survey. Since that time, the United Kingdom has similarly adopted a more aggressive approach in confronting the Afghan opiate economy.

The Afghan Interim Government and Transitional Authority (and later the democratically-elected constitutional Government, discussed below) have consistently advocated a strong counter-narcotics program, focusing on alternative development, engagement and communication with the populace, eradication, and on the fundamentally-related issue of confronting non-traditional commanders. Their vocal emphasis on alternative development is out of consideration for the rural populace and

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<sup>143</sup> Robert B. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, testimony before the United States House Committee on Government Reform Subcommittee on Criminal Justice, Drug Policy, and Human Resources, 01 April 2004, <http://www.state.gov/p/inl/rls/rm/31039.htm>, (accessed 02 September 2005).

what is needed to re-develop the economic fabric of the country, but also the fact that they need to canvas the international community for funds to support these programs.

The joint United Kingdom-Afghan counternarcotics effort got off to an inauspicious start in 2002. Following up on the 17 January ban on cultivation and trafficking (which was announced after virtually all of the opium poppy in Afghanistan had been planted), the Interim Government announced a limited eradication campaign on 03 April 2002. The first eradication teams began operations by April 8<sup>th</sup>, and eventually covered 15,000 hectares.<sup>144</sup> By this time, farmers who became the target of eradication had no opportunity to replant their fields with licit crops, and were facing economic ruin that would result from their first interaction with the Interim Government. This led to the eradication campaign to be designed with at first a \$1250 per hectare, and later a \$1750 per hectare compensation package to farmers affected by eradication.<sup>145</sup> Compensation could not have happened without international funding and U.K. approval. This sent the unfortunate message that even though the new Afghan Interim Authority had banned poppy cultivation, farmers who planted poppy could expect to be paid for their crop, either from the Interim Government or from traffickers.

The compensation package was rightly criticized for creating perverse incentives for future cultivation. An additional criticism not widely offered is that farmers trapped in *salaam* payment arrangements now had to use their compensation money to purchase fresh opium gum on the market to give to their creditors, which artificially drove up demand for fresh opium and therefore also stimulated future cultivation. The downside of compensation was soon realized, and the practice was not repeated in future years. The real lesson however is that seeking short-term results and failing to consider the second-order effects of counter-narcotics policies runs a high risk of undermining longer term counter-narcotics and government stabilization goals.

Following this initial debacle, the United Kingdom and Afghan authorities embarked on developing a systematic approach to countering the opiate economy, along with inputs from the United Nations Office on Drugs and Crime, which had studied the

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<sup>144</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*, 07 December 2004, 24.

<sup>145</sup> UNODC, *Opium Economy in Afghanistan*, 93.

Afghan drug problem since 1994. In August, 2002, the Afghan Transitional Authority (which took office in June of 2002) promulgated a new ban on cultivation, processing and trafficking which met the requirements of relevant United Nations Drug Conventions.<sup>146</sup> In October 2002 the Counter-Narcotics Directorate (CND) was established, which reported to the National Security Council of the Transitional Authority, and it held overall responsibility for drug control policy formulation and coordination.<sup>147</sup> The Counter-Narcotics Directorate established five functional units to analyze and coordinate activities in the areas of: developing alternative livelihoods for opium poppy farmers; drug law enforcement throughout Afghanistan; judicial reform; demand reduction, public awareness. These focus areas would presage the five elements of the Afghan National Drug Control Strategy, developed within the CND in coordination with U.K., UNODC, and U.S. assistance.<sup>148</sup>

Having laid the groundwork for a coordinated policy direction, the first step towards developing a permanent implementation capability came in January 2003, when the Counter-Narcotics Police of Afghanistan (CNPA) was established within the Ministry of the Interior, which was the selected ministry to take responsibility for all enforcement activities. The central headquarters was founded in Kabul, with satellite offices in Jalalabad, Kandahar, Lashkar-Gah, Herat, Mazar-i-Sharif, Kunduz, and Faisabad.<sup>149</sup> The CNPA is divided into investigation and enforcement divisions, and works closely with U.K. and U.S. counter-narcotics authorities to develop cases for criminal prosecution.

Separate from the CNPA but falling under the Afghan Interior Ministry is the Afghan Special Narcotics Force (ANSF), a unit developed through British training and support to conduct sensitive interdiction operations against high value targets. The

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<sup>146</sup> United Kingdom Select Committee on Foreign Affairs, "International Conference on Afghanistan—1 April 2004, Afghanistan: Counter Narcotics," (London: The United Kingdom Parliament, 2004), [http://www. publications.parliament.uk/pa/cm200304/cmselect/cmfa/441/441we13.htm](http://www.publications.parliament.uk/pa/cm200304/cmselect/cmfa/441/441we13.htm), (accessed 01 September 2005); CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 9.

<sup>147</sup> U.K. Select Committee on Foreign Affairs, "International Conference on Afghanistan—1 April 2004, Afghanistan: Counter Narcotics." CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 27.

<sup>148</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, p. 27.

<sup>149</sup> U.K. Select Committee on Foreign Affairs, "International Conference on Afghanistan—1 April 2004, Afghanistan: Counter Narcotics."

project to establish this unit began in early 2003.<sup>150</sup> The focus of the Afghan Special Narcotics Force, which is also known as Force 333, is not restricted by a need to develop prosecutable cases; rather it focuses on debilitating the trafficking side of the opiate economy by destroying processing facilities, seizing opium stockpiles and processing chemicals, and detaining (differentiated from *arresting*) traffickers. This unit earned strong praise from U.S. Assistant Secretary of State for International Narcotics and Law Enforcement, Robert Charles, in April 2004 for its operational effectiveness since January 2004.<sup>151</sup> Between the summer of 2004 and March 2005, it seized 81 metric tons of opium, 70 heroin labs, and 28 metric tons of precursor chemicals, and detaining numerous drug traffickers.<sup>152</sup>

Even as the foundations for policy implementation were being instituted, progress on policy development continued as well. In May of 2003, the Transitional Authority released the Afghan National Drug Control Strategy (ANDCS). It aimed to reduce cultivation 70 percent by 2008 and eliminate it by 2013. It established five interrelated focus areas, each of which are deemed essential to making sustainable progress in removing the opiate economy. The five areas are: the provision of alternative livelihoods for Afghan poppy farmers; the extension of drug law enforcement throughout Afghanistan; the implementation of drug control legislation; the establishment of effective institutions; and the introduction of prevention and treatment programs for addicts.<sup>153</sup> The integrated and coordinated aspects of the Afghan National Drug Control Strategy are deemed critical to long-term counter-narcotics success. The United Kingdom position is:

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<sup>150</sup> Inferred from Robert B. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, testimony before the United States House Committee on International Relations, 12 February 2004, [http://wwwc.house.gov/international\\_relations/108/char021204.htm](http://wwwc.house.gov/international_relations/108/char021204.htm), (accessed 02 September 2005).

<sup>151</sup> Charles, Testimony, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, April 2004.

<sup>152</sup> Mary Beth Long, Deputy Assistant Secretary of Defense (U.S.) for Counter-narcotics, Testimony before the House Committee on International Relations, Hearings on U.S. Counternarcotics Policy in Afghanistan: Time for Leadership, 17 March 2005, [http://www.house.gov/international\\_relations/109/lon031705.htm](http://www.house.gov/international_relations/109/lon031705.htm), (accessed 02 September 2005).

<sup>153</sup> U.K. Select Committee on Foreign Affairs, "International Conference on Afghanistan—1 April 2004, Afghanistan: Counter Narcotics."

Afghanistan has a strategy to tackle drugs and it is through implementation of this Afghan National Drug Control Strategy.... Without sustained, co-ordinated and considered action by the Afghan government, supported by the international community, the illegal drug trade will continue to threaten Afghanistan's future. Sustainable elimination of the problem requires a broad-based approach which considers all of the factors which support the trade: rural poverty, criminality; institutional weakness and domestic (and international) demand. And it cannot be tackled in isolation. Counter narcotics needs to be a strand fed in to all mainstream reconstruction and development work.<sup>154</sup>

The integrated aspect of counter-narcotics policy was incorporated into the planning for the 2004 growing season. This was achieved with the creation of the Central Eradication Planning Cell in the Ministry of the Interior. The mission of the planning cell was

to impartially direct eradication against poppy growing areas where farmers can be expected to have access to alternative sources of income, *and areas where eradication will not upset the security balance.* [italics added]<sup>155</sup>

The cell coordinated provincial governor-led manual eradication with centrally-controlled alternative livelihood programs. The United Kingdom funded the manual eradication teams and largely directed the planning cell on behalf of the Transitional Authority.

This approach had the benefit of exercising healthy relationships between the central government's Interior Ministry and provincial leaders, rewarding cooperation and compliance with central authority, and the benefit of using leaders who were more closely linked to rural *qawm* to legitimize eradication activities and avoid areas primed for violent reaction. The United Kingdom appreciated these advantages. The U.S. State Department, however, lamented the restrictive nature of the British-led eradication planning and expressed concern that not enough hectares would be eradicated.<sup>156</sup> In 2004, the State Department would push for a centralized eradication team, operating under the direct authority of the central government, which would not be as susceptible to provincial leadership misdirection about the true extent of eradication undertaken.

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<sup>154</sup> U.K. Select Committee on Foreign Affairs, "International Conference on Afghanistan—1 April 2004, Afghanistan: Counter Narcotics."

<sup>155</sup> U.K. Select Committee on Foreign Affairs, "International Conference on Afghanistan—1 April 2004, Afghanistan: Counter Narcotics."

<sup>156</sup> Charles, Testimony, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, April 2004.

The high-water mark of the British commitment to the patient, broad-spectrum approach to counter-narcotics came with the February 2004 International Counter-Narcotics Conference in Afghanistan, hosted in Kabul by the Afghan Transitional Authority, the UK, and the UNODC. The character of the conference intentionally emphasized Afghan ownership of the problem—in addition to President Karzai and several Afghan Transitional Authority ministers, there were 18 provincial Governors, 32 provincial Police Chiefs, and numerous community leaders from outside Kabul. This was the first large gathering of Afghans to discuss the counter-narcotics issue since the Afghan National Drug Control Strategy was released in May of 2003. The conference developed five action plans to advance each of the five focus areas of the ANDCS, with a particular emphasis on building coordination between the action plans.

It is significant to note that the larger implications of the opiate economy were not lost on the provincial and local representatives who spoke at the conference. Governor Pashtun of Kandahar province identified the direct implications of illicit opium as (1) a decrease in licit agricultural output; (2) the spread of bribery and corruption; and (3) an increase in addiction. He gave the long-term effects as: (1) the increase in the power of warlords who present the main obstacle to developing legitimate government; and (2) the absence of the rule of law which creates conditions conducive to the return of international terror organizations.<sup>157</sup> A tribal elder from Nangarhar province, named Ghulam son of Mohammad, focused on the fundamental survival challenges faced by Afghan farmers which are complicated by illiteracy, a lack of alternative employment, the continuing weakness of agricultural infrastructure (specifically irrigation, electricity, and market access), and the trap of *salaam* loans. He noted that even opium poppy farmers still struggle to feed their families because essentially the entire profit margin is taken by traffickers and *salaam* dealers. He called for the Transitional Authority and the International Community to assist with the infrastructure deficits, to make *salaam* payments illegal, and to establish alternatives to *salaam* loans for destitute farmers. Taken together, these two speakers succinctly demonstrated the need for coordinated counter-narcotics policy justified for their impact at both at the macro and micro levels.

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<sup>157</sup> UNODC, *Report on the International Counter Narcotics Conference on Afghanistan*, 4.



Following the conference in Kabul, a second conference focusing on regional cooperation in counter-narcotics was held in Berlin, concluding with the publication of *The Berlin Declaration on Counter-Narcotics Within the Framework of the Kabul Good Neighborly Relation Declaration* on 01 April 2004. Signatories to the declaration included Afghanistan, China, Iran, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. The basic areas of cooperation provided in the declaration include robust border-area security and aggressive interdiction of opiate trafficking from Afghanistan, close communication and operational cooperation in interdiction activities, to cooperate in sharing best practices and through international organizations such as the UNODC.<sup>158</sup>

The United Kingdom approach to eradication in 2004 was characterized by a carefully targeted eradication program under provincial governor authority, paired with alternative livelihood investment. A change in approach was guaranteed for the 2005 growing season in some respects—through the summer and fall preparations were made for a Central Poppy Eradication Force (CPEF), which was created in April 2004 at the request of U.S. policy makers. Shortly after the election of Hamid Karzai as President under the new constitution, a new position of Deputy Minister for Counter-narcotics was established in the Interior Ministry to coordinate and oversee counter-narcotic enforcement activities. As the publication of the UNODC *2004 Afghanistan Opium Survey* neared in November 2004, it became clear that there had been a dramatic increase in cultivation of opium poppy in Afghanistan. This provoked consternation among British leaders, who now were concerned that their leadership on the issue was not producing the desired results.

By December 5<sup>th</sup>, the United Kingdom began to take a harder line on counter-narcotics, indicating that British ground troops would now be authorized to engage in “opportunistic strikes” against drug processing and trafficking infrastructure,<sup>159</sup> which contrasted sharply with U.S. policy for its troops at the time. In terms of eradication, the

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<sup>158</sup> Ministry of Foreign Affairs of Afghanistan, “The Berlin Declaration on Counter-Narcotics Within the Framework of the Kabul Good Neighborly Relation Declaration,” 01 April 2004. [http://www.afghanistan-mfa.net/pressrelease/berlin\\_declaration\\_counter\\_narcotics\\_April\\_1\\_2004.html](http://www.afghanistan-mfa.net/pressrelease/berlin_declaration_counter_narcotics_April_1_2004.html), (accessed 01 September 2005).

<sup>159</sup> Jason Burke, “British Troops Wage War on Afghan Drugs,” *The Observer*, London, 05 December 2005. <http://observer.guardian.co.uk/international/story/0,6903,1366897,00.html>, (accessed 01 September 05).

British stepped up their support for the centralized eradication teams, adopting an aggressive implementation stance for what had been primarily a U.S. priority. In the course of the 2005 eradication season, British representatives to the Central Eradication Planning Cell pushed for strong in-country support from U.S. forces for eradication activities, ranging from permission for CPEF teams to operate in U.S.-controlled areas to assistance with transporting eradication teams. This drive for support from U.S. forces also included CPEF orientation briefings to U.S. military units, one of which was conducted at the Naval Postgraduate School in Monterey, California, for U.S. Army and National Guard units preparing to deploy to southern Afghanistan. Through the course of the eradication season, there were several developments which resulted in the CPEF teams not achieving their desired eradication goals, including the violent response to eradication in Kandahar province.

When shortfalls in eradication became clear, the Central Eradication Planning Cell, a British policy creation appended under the Interior Ministry and designed to coordinate provincial Governor-led eradication efforts, reached outside of the Interior Ministry to employ Afghan National Army (ANA) troops in centrally-directed eradication efforts under British leadership.<sup>160</sup> This is a remarkable deviation from the careful, patient and structured approach advocated previously by the British. The retired British officer who reported this development indicated that the ANA troops initially performed poorly and unreliably (e.g. accepting bribes to only eradicate only 10 percent of a village) but that their performance improved through the season. This would have roughly coincided with June 2005 news reports that British military forces would take charge of “search-and-destroy patrols seeking opium crops.”<sup>161</sup> The fact that the British would commit their own troops to eradication and resort to using non-Interior Ministry assets, and ones whose performance proved questionable, to advance counter-narcotic efforts indicates the extent to which the British have become much more aggressive on the eradication front.

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<sup>160</sup> Author’s access to e-mail sent to Instructor at Naval Postgraduate School, sent 07 June 2005.

<sup>161</sup> Brian Brady, “British to Man Front Line in War Against Afghan Heroin Trade,” *Scotland on Sunday*, 05 June 2005. <http://www.scotsman.com/?id=616842005>, (accessed 01 September 2005).

The aggressive eradication stance taken by the United Kingdom did not go so far as aerial eradication, however. Following the publication of the 2004 UNODC report in November, U.S. advocates for aerial eradication began pushing for operational implementation in Afghanistan. The United Kingdom publicly supported President Karzai in his adamant opposition to aerial eradication, especially following reports of aircraft spraying chemicals in eastern Nangarhar in mid-November 2004. The Afghan Ministry of Agriculture and Health investigated these incidents, and found unidentified chemicals in soil samples, destruction of licit crops, and that related illnesses had occurred.<sup>162</sup> This event caused serious anti-Coalition sentiment to build in Nangarhar, as it was assumed that the United States had control of the airspace, and therefore authorized or conducted the spraying. The United States and Coalition forces denied having anything to do with the incident, and U.S. Ambassador to Afghanistan (at the time) Zalmay Khalilzad suggested the spraying may have been conducted by opiate-related interests to sow discord among the Coalition. The incident, however it came about, highlighted the controversial nature of the aerial eradication idea, especially within Afghanistan. Although Britain has consistently opposed aerial spraying in its public statements, there has been one reporter who has on two occasions cited a U.K. Foreign Ministry official who claims that the United Kingdom has been quietly advocating a heavier U.S. military engagement in the eradication effort, specifically aerial eradication.<sup>163</sup> Although this allegation was not found in other news sources, it may indicate the extent of policy shift within at least some U.K. policy circles.

The United Kingdom's more aggressive eradication stance was matched by increased spending on Alternative Livelihood programs. In fact, for the 2005/2006 period the United Kingdom doubled its previous spending levels on alternative livelihood

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<sup>162</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 38.

<sup>163</sup> Brian Brady, "British to Man Front Line in War Against Afghan Heroin Trade"; Brian Brady, "Britain Losing War on Afghan Heroin," *Scotland on Sunday*, 07 November 2004, <http://www.scotsman.com/?id=1286202004>, (accessed 01 September 2005).

programs, to U.S. \$125 million. This is more than the U.S. \$100 million of British funding allocated to eradication and enforcement.<sup>164</sup>

The United Kingdom is leading, coordinating, funding or highly involved with several programs which are making significant contributions towards counter-narcotics and which were not detailed above. These include: developing 9 additional mobile narcotics detection teams for use outside of Kabul, belonging to the Counter-Narcotics Police of Afghanistan; the Counter-Narcotics Criminal Justice Task Force; the secure prison facility at Pul-e-Charki; being the lead donor to finance (eventually 30) eradication verification and assessment teams; and building bureaucratic capacity in key cabinet Ministries and Provincial offices. The United Kingdom has a high degree of dedication to its mission, including being willing to put its own troops on the line in interdiction missions. It has unfortunately acquiesced to strong pressures coming from both the rise in cultivation area and from diplomatic channels to deviate from the highly coordinated, patient, and balanced approach it helped to establish with the Afghan Interim Government and Transitional Authority. The United Kingdom chose to accelerate and heighten its emphasis on rapid eradication, even to the point of engaging its troops as well as non-Interior Ministry Afghan forces in this mission as well. These trends, if they are sustained, will serve to confuse the placement of authority on counter-narcotics issues within the Afghan central government and threaten to increase rural-state tensions through the pursuit of ill-considered eradication efforts.

## **2. Counter-Narcotic Policy Development for the Islamic Republic of Afghanistan**

President Karzai was elected to office under the new constitution on 09 October 2004 and sworn in on 07 December 2004. This period brackets the timeline in which the UNODC reported vastly increased cultivation for the 2004 growing season. Immediately upon taking office, President Karzai repeated his commitment and emphasis on counter-narcotics by hosting the Counter-Narcotics National Conference in Kabul on 9-10 December. This conference was designed to get information out to provincial and local leaders on what to expect in the coming year in terms of counter-narcotics policy, and to

<sup>164</sup> United Kingdom Foreign and Commonwealth Office, "Written Statement on 2005 Counter Narcotics Implementation Plan," 10 March 2005, <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391629&a=KArticle&aid=1109172502622>, (accessed 01 September 2005).

get input and feedback from the leaders outside of Kabul. Roughly two weeks later, the Counter-Narcotics Directorate, which had reported to the National Security Council of the Transitional Authority, was elevated to the Cabinet level and the Ministry of Counter-Narcotics was formed on 27 December, with Habibullah Qaderi as Minister. During this time, President Karzai was strongly advocating against an aerial eradication plan for the 2005 growing season. In January 2005, the Karzai administration took a step towards more coordinated and effective law enforcement by establishing, with U.K. and other support, a Counter-narcotics Intelligence Fusion Cell linked to the CNPA. Also in January, the idea of extending a limited amnesty program to prominent traffickers was briefly considered, and then rejected.<sup>165</sup>

By 16 February 2005, the Karzai administration had developed the 1384 (2005) Counter-Narcotics Implementation Plan, and presented it publicly at the conclusion of a visit to Kabul by British Foreign Secretary Jack Straw. The 1384 plan builds on the coordinated action plans developed the previous spring at the International Counter-Narcotics Convention, focusing on establishing and strengthening the institutional mechanisms to achieve a coordinated effort, but it refines the five pillars given previously into eight pillars. The manner of differentiation gives us a valuable insight into the conceptual framework which the Karzai administration uses to view the counter-narcotics effort, and a side-by-side comparison will assist in making these differences clear.

Five Action Plans, February 2004<sup>166</sup>

1. Public Awareness
2. Drug Demand Reduction
3. Law Enforcement
4. Judicial Reform
5. Alternative Livelihood

1384 (2005) Plan<sup>167</sup>

1. Building Institutions
2. Information Campaign
3. Alternative Livelihood Development
4. Interdiction and Law Enforcement
5. Criminal Justice
6. Eradication
7. Demand Reduction and Treatment
8. Regional Cooperation

The lists are given in the order as published on the Afghan Ministry of Counter-Narcotics website, and the verbiage used for each item is as it appears in the referenced documents.

<sup>165</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 30.

<sup>166</sup> Afghanistan Ministry of Counter-Narcotics, “‘Action Plans’ from the February 2004 International Counter-Narcotics Conference,” <http://www.mcn.gov.af/actionplan.html>, (accessed 02 September 2005).

<sup>167</sup> Islamic Republic of Afghanistan, *1384 (2005) Counter-Narcotics Plan*.

The change in order and verbiage is not deemed overly significant as the elements of each are designed to work integrally with the others. ‘Building Institutions’ and ‘Regional Cooperation’ are added as distinct emphasis areas—this reflects the understanding that further elaboration was needed in the Plan to build bureaucratic mechanisms to facilitate internal and external coordination and cooperation. What is most significant is that ‘Eradication’ is differentiated from ‘Law Enforcement.’ The categorical separation reinforces the differentiation between the cultivation and trafficking sides of the opiate economy—cultivators are not inherently seen as criminals, even though cultivation is banned. Cultivators are victims of war, of non-traditional commanders, of *salaam* lenders and traffickers. They need and deserve government assistance, which the Afghans previously expressed in terms of pairing alternative livelihood investment with eradication programs. This long-standing implicit differentiation between cultivators and traffickers was made more explicit in response to shifting U.K. and U.S. emphasis on a much more aggressive eradication program which penalizes cultivators.

In terms of ‘Building Institutions,’ the 1384 Plan discusses developments at both the central government level and the provincial level. At the central government, several institutions will contribute. It declares the Counter-Narcotics Ministry

will take the lead role in the development, co-ordination, monitoring and evaluation of the Afghan Government's counter narcotics strategy. The institutional development of the new Ministry will be supported by the UK, US and UNODC.<sup>168</sup>

The Counter-Narcotics Minister will chair a new Cabinet Subcommittee on Counter-narcotics, which will include participation from the Ministers of Finance, Rural Development, Agriculture, and Public Works (termed the “key line ministries”). The plan establishes a Counter-narcotics Trust Fund, which can be used to fund any counter-narcotics policy endeavors. The Counter-narcotics Ministry will make recommendations to the Cabinet Subcommittee on Counter-narcotics as to what areas should receive priority, and for 1384 the emphasis will be on Alternative Livelihood programs. To achieve external coordination, the Counter-narcotics Consultative Group will be co-

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<sup>168</sup> Islamic Republic of Afghanistan, *1384 (2005) Counter-Narcotics Plan*.

chaired by the Minister of Counter-narcotics and the United Kingdom Ambassador, and international partners and Afghan ministers will be invited to participate.

At the provincial and local level, institution building includes establishing District Development Councils and Provincial Development Shuras, which will identify district and provincial development priorities and ensure compliance with the ban on opium poppy cultivation. Provincial Development Committees will also be established and chaired by the governors of each province, with representatives of the key line ministries, UN agencies, Provincial Reconstruction Teams, and Non-Governmental Organizations.

The “Information Campaign” began with the National Counter-Narcotics Conference in December 2004. On-going efforts include educating the populace and local leaders on the threat to Afghanistan posed by the opiate economy in terms of illicit funding going to non-traditional commanders and terrorists, the negative impacts on the licit economy, the negative impact on reconstruction activity caused by drug-funded insecurity, and the problems of addiction in Afghanistan and neighboring Islamic countries. Also noted is Article 7 of the Constitution, which bans narcotic production and smuggling, as is the *fatwa* issued by the National Council of the Ulema, a copy of which is (or should be) posted in every mosque in Afghanistan. Additionally, the ministries responsible for rural development, agriculture, irrigation and the economy will publicize Alternative Livelihood opportunities in affected communities.

In terms of “Alternative Livelihood” investment, the overall goal is that all 34 provinces will benefit from these programs to the extent international donors contribute to the National Development Budget and the Counter-narcotics Trust Fund. This does not mean an equal share for all, however. Up to seven key provinces will be targeted in 1384 for Alternative Livelihood investment, with the goal of achieving a substantial reduction in poppy cultivation. Hilmand, Kandahar, Nangarhar, and Badakshan are specifically listed as possible target areas, provided compliance with non-cultivation and eradication is seen. This aspect of the program received support from the United Kingdom and the United States before it was published. Additionally, there is a desire to see these areas develop as economic hubs for their regions. Research is being conducted to develop economically viable and regionally appropriate alternatives to opium poppy.

Also, the issue of extending licit rural credit to farmers in order to break the opium indebtedness of the *salaam* system is being addressed this year.

For “Interdiction and Law Enforcement,” the Afghan Special Narcotics Force will expand this year with U.K. funding and advice. The Counter-Narcotics Police will expand to 750 members in 2005 and operate in all major growing regions, with 300 interdiction officers received training from U.S., U.K., French and UNODC personnel. A new unit within the CNPA, the National Interdiction Unit, was established in November 2004 with U.S. (DEA) assistance which will mirror the special-tactics aspects of the British-led ASNF but will focus on developing prosecutable cases. The unit had 100 trained members as of May 2005, with 200 planned by the end of the year.<sup>169</sup> The Counter-Narcotics Intelligence Fusion Cell opened January 2005, and the Anti-Corruption Commission is confronting narcotics-related corruption. The Afghan National Police, Border Police, and Highway Police continue to be trained and expanded under German guidance as the lead nation, with assistance from other countries including the United States.

The 1384 Plan is building several improvements in the ‘Criminal Justice’ pillar. The Counter-narcotics Criminal Justice Task Force opened in February 2005, and thirty-five Criminal Specialists, 35 prosecutors and 15 judges will be trained by the end of 2005. A secure court and prison facility should open this year at Pul-e-Charki for prosecuting major drug trafficking cases, along with a special court in Kabul with nationwide jurisdiction for narcotics-related cases. A review of narcotics-related law is underway, with a new money-laundering law being passed at the end of 2004 and a property seizure law will be promulgated this year.

The “Eradication” pillar is written with the clearest and most direct language contained in the plan. Eradication is intended to be “credible, targeted and verified” and led by the Afghan Government. The second statement made is that Afghanistan maintains a no-aerial eradication policy. Third is that there will be no compensation for farmers. Fourth, the plan calls for eradication to occur earlier in the growing year so farmers have a chance to replant with licit crops which have a shorter growing period.

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<sup>169</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 28.



President Karzai and the Interior Minister are named responsible for ensuring governors and police chiefs comply with eradication enforcement. Eradication is conducted along two tracks. For the first time, a Central Poppy Eradication Force would be used under direct control of the Afghan government, and a parallel eradication campaign would be run as in previous years through the provincial governors. Monitoring and verification was achieved using overhead imagery provided by the United States and United Kingdom, as well as 30 (planned) trained verification teams which conduct on-site inspections of eradicated poppy fields.

To advance “Demand Reduction and Treatment of Addicts,” drug addiction treatment centers are being established in Herat, Kandahar, Mazar-i-Sharif, and Nangarhar in addition to ones in Kabul, Gardez and Faisabad. Afghanistan is seeking international assistance to build six Regional Treatment Centers and 34 Community Based Treatment Services, one in each province. A national survey to assess drug use is underway, drug education programs are starting, and World Bank consultation for funding will occur in 2005.

The final pillar of the 1384 plan is ‘Regional Cooperation.’ The extent of the Afghan statement on this area is “The Afghan Government seeks full cooperation through the Good Neighbourly Relations Regional Declaration on Counter Narcotics.”<sup>170</sup> Additional programs which involve coordinated regional involvement are the U.S. DEA Operations Containment and Topaz, which interdict narcotics and precursor materials respectively, collaborative and coordinated development programs run by the UNODC, and those limited programs coordinated through the Economic Cooperation Organization’s Drug Control Coordination Unit (ECO-DCCU). These efforts are producing action—one example of many is that on 15 May, the Tajikistani Drug Agency chief, Lt Gen Rustam Nazarov, began a three-day visit to Afghanistan to open a third liaison office to coordinate counter-narcotics efforts. One is established in Kabul, with a second in Badakshan province; the third is to be established in Kunduz province.<sup>171</sup> This

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<sup>170</sup> Islamic Republic of Afghanistan, *1384 (2005) Counter-Narcotics Plan*.

<sup>171</sup> Foreign Broadcast Information Service translation of “Tajikistani Drug Agency Chief Visits Afghanistan in Bid to Open Office,” *Dushanbe Avesta*, 18 May 2005. <https://fbis.gov> (accessed 25 May 2005). Original text in Russian; *Dushanbe Avesta* assessed to be indirectly funded by George Soros’ Open Society Institute, via the media-oriented human rights NGO Kuh-i-Nor.

effort follows the hand-over of responsibility for the Tajik-Afghan border from Russian troops to Tajik troops, which occurred over several months in 2005. During that time the Tajiks seized 193 kg of heroin and a small number of weapons.<sup>172</sup>

When the plan is reviewed as a whole, it is clear that the Afghan government is building the tools and bureaucratic infrastructure to truly employ a coordinated and balanced attack on the opiate economy, and one which will allow the Afghan economy and society recover from its corrosive effects. Afghan efforts to institutionalize the mechanisms required to run a coordinated counter-narcotics effort are beginning to bear fruit. Clearly, these institutions need to be much more robust to confront the opiate economy, and international funding and support are required for these institutions to mature into stable and permanent government capabilities. The approach that the Afghan government is taking, however, is one which has the capacity to build healthy and active relations between a central government and the provincial, district, and local leaders based on reciprocity and accountability, which is essential for a healthy democracy to take hold. If a balanced and coordinated counter-narcotics effort is continued, as the licit rural economy recovers the central government will have the legitimacy based on its performance to begin taxing that rural economic base. The cycle of reciprocity can be cemented into a more modern government-civil society relationship (one which will certainly maintain some of its Afghan characteristics) instead of the historically prevalent rentier system which allowed the Afghan central government to have minimal interaction with its rural populace, and the rural *qawm* maintaining a deeply suspicious, extractive and corruptive approach to interacting with the central government. The Provincial Development Shuras and District Development Councils are an innovative and groundbreaking link bridge between the traditional *qawm* interests and the central government (there are 8,600 Community Development Councils below the DDCs<sup>173</sup>), and one which demands reciprocal interaction. The dual-track eradication approach, paired with multiple sources of verification and the opportunity for Alternative

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<sup>172</sup> Foreign Broadcast Information Service translation of “Tajikistani Border Guards Seize 193 Kilograms of Heroin from Beginning of 2005,” *Dushanbe Avesta*, 24 May 2005. <https://fbis.gov>, (accessed 25 May 2005).

<sup>173</sup> United States Agency for International Development, *Weekly Activity Update*, Issue 101, 24 August – 02 September 2005.

Livelihood and infrastructure reconstruction/development programs in exchange for compliance go a long way to ensure that the exchange remains reciprocal and not just extractive. The fight against the opiate economy and the non-traditional commanders it supports has been characterized by President Karzai as the fight for Afghanistan. In fact, it is actually, quietly, the fight for a *modern* Afghanistan, one which the Durrani confederation has slowly tried to bring about for decades. The fight against the non-traditional commanders and the opiate economy which makes them possible is one which now has the support of the rural populace, so long as the fight is not seen to attack the rural *qawm* social structures which gives the Afghan society the resilience to endure the Soviet occupation, several years of non-traditional commander in-fighting, and the brutal rule of the Taliban.

The province of Nangarhar provides an excellent example from the 2005 growing season of the interaction of rural-state relations, cultural imperatives, and attempts at a balanced counter-narcotics implementation strategy, and the perils of executing an aggressive counter-narcotics agenda which runs afoul of cultural norms as well as expectations of reciprocal interaction. According to a Christian Science Monitor article dated 18 May, “Nangrahar [sic] is almost 80 percent free of poppies” as compared to its 2004 cultivation levels, which amounted to 22 percent of Afghanistan’s total cultivation.<sup>174</sup> This resulted largely through voluntary non-cultivation, which is attributed by UN officials and by the Central Eradication Planning Cell to a vigorous information campaign—

...there has been minimal cultivation in Nangarhar and Laghman this year. We invested in a huge info[rmation] op[eration]s campaign coupled with multiple visits/scoping studies by the eradication force that started prior to planting season last year and the results have been great. We seem to have ‘contained’ the main cultivation areas as licit crop areas and forced cultivation [of opium poppies] way up into the mountains which [sic] must present huge logistic issues for cultivation and, processing.<sup>175</sup>

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<sup>174</sup> Scott Baldauf, “Afghanistan’s New Jihad Targets Poppy Production; A US, European, and Afghan Initiative Has Cleared 80 Percent of the Opium Plants from One Province,” *The Christian Science Monitor*, Boston Massachusetts 16 May 2005.

<sup>175</sup> Author’s access to e-mail sent from a retired British officer serving in the Central Eradication Planning Cell to Instructor at Naval Postgraduate School, sent 07 June 2005.

For the moment, we will assume that the ‘deterrence’ explanation is accurate (two alternative explanations, and their implications, will be addressed towards the end of this chapter). In May, interdiction operations using hundreds of Interior Ministry police (the article did not specify which organization(s)) were undertaken in Nangarhar against the trafficking side of the opiate economy, destroying 14 heroin processing facilities in the Achin district. This was accompanied by a search of the Abdollah Khel bazaar, followed by searches of houses in neighboring villages.<sup>176</sup> The ACNP, and other counter-narcotic forces, are not operating independently; they still require the direction and assistance of Coalition mentors during the conduct of operations, and are influenced by the aggressive counter-narcotics stance developing within the Coalition. By 20 May, the Governor of Nangarhar issued a strong rebuke of the tactics used by the Interior Ministry police. He stated that the drug enforcement programs in Nangarhar were divided into two phases; first, farmers would refrain from cultivation, and second the international community would help the farmers (through Alternative Livelihood programs—the promise of incentives to change behavior is the second proffered explanation for reduced cultivation—as before, this will be explored further towards the end of the chapter). He complained that the promised investment had not yet arrived, and that the interdiction operations were harmful to farmers. Based on this harm to farmers, he threatened to send the counter-narcotics police back to Kabul. Although the article reporting his statements did not specify, he the harm to farmers appears to be referring to the searches of village homes, which would be a culturally understandable affront to *pashtunwali*, especially if the women in the homes were confronted by non-family members, particularly non-*qawm* outsiders.<sup>177</sup> That the Governor was not aiming to protect the traffickers was made clear four days later, when it was announced by the Nangarhar Deputy Governor, Mohamed Asif Qazizada, that tribal elders in Nangarhar will torch the homes of drug dealers,

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<sup>176</sup> Foreign Broadcast Information Service Translation of: “Afghan Police Discover 14 Heroin Processing Laboratories in Nangahar Province,” *Kabul Radio Afghanistan* in Pashto 1430 GMT 18 May 2005. *Kabul Radio Afghanistan* is the state-run radio; “Afghan, Foreign Forces Launch Antinarcotics Operation in Nangarhar Province,” *Peshawar Afghan Islamic Press* in Pashto, 1143 GMT 17 May 2005. Source is assessed to be a Peshawar Pakistan based agency staffed by Afghans. The agency used to have good contacts with the Taliban leadership, however since the fall of the Taliban regime, it now describes itself as “independent” and “self-financing.”

<sup>177</sup> Foreign Broadcast Information Service Translation, “Afghan Radio: Governor Threatens to Send Drug Troops Back Unless Tactics Change,” *Mashad Voice of the Islamic Republic of Iran External Service* in Dari, 1330 GMT 20 May 2005. Source is the Iranian Government-run Radio.

traffickers, and those who have drug laboratories, and impose a fine of 200,000 Afghanis (U.S. \$4,000). Significantly, the Deputy Governor went on to explicitly state that the decision had nothing to do with the government; “The government acts according to the constitution and other supplementary laws in place for every crime, it [this decision] is the tribal decision not the government’s.”<sup>178</sup>

From this sequence of events, it is clear that the provincial leaders, both formal and tribal, expected a reciprocal relationship based on non-cultivation and international investment to help the local *qawm*. They were willing to deviate from historic patterns of rural-state interaction when they were presented with a plan for a balanced counter-narcotics effort. When, from their perspective, interdiction operations against the trafficking interests that they themselves want to see destroyed spilled over to harm *qawm* farmers through the violation of their homes, the leaders felt that this reciprocal relationship had been abused by the central government—that the balanced counter-narcotics plan had been trashed. Under the current level of development of Afghan forces, it is the Coalition mentors and directors of these forces who must bear a strong responsibility for the actions of the Afghan units under their direction. The immediate response was to reject central government authority and to enforce counter-narcotics efforts on the basis of tribal legitimacy, which is precisely the traditional mode of rural interaction with the central government which we are trying to displace. What shifted the collaborative behavior was a violation of *qawm* and *pashtunwali*. What remains to be seen is whether promises of international investment will be kept, and whether fulfillment of those promises and more careful interdiction operations in the future can overcome the historic modes of interaction invoked by the violation of *qawm*.

### **3. Counter-Narcotic Policy Development for United States**

That the United States would pursue a counter-narcotics policy in Afghanistan has been clear essentially from the beginning of U.S. involvement, that having been stated in PL-107-327, the *Afghanistan Freedom Support Act of 2002*. The debate has centered on which federal government agencies would be involved, what their activities should be, and the overall character and ultimate intent of the counter-narcotics effort. The

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<sup>178</sup> Foreign Broadcast Information Service Translation, AFP: “Afghan Tribal Elders to Burn the Homes of Drug Dealers, Insurgents,” *Hong Kong AFP* in English 0941 GMT 24 May 2005. Source is the Hong Kong service of the independent French press agency Agence France-Presse.

immediate response of the Executive Branch was to establish the Drug Enforcement Administration's (DEA) Operation Containment in early 2002, which is a regional law enforcement effort designed to "deprive drug trafficking organizations of their market access and international terrorist groups of financial support from drugs, precursor chemicals, weapons, ammunition and currency," drawing on support from 19 countries from Central Asia, the Caucasus, Europe, and Russia.<sup>179</sup> Since that time, counter-narcotics activity has moved in-country, and visible contributions to the broader counter-narcotics effort and policy debate have come from four Executive Branch agencies, and also from Congress.

The State Department was content with early counter-narcotics efforts conducted under British leadership. This began to change in the spring of 2004, when a sense of urgency for eradication efforts large enough to "deter" future cultivation began to drive State Department thinking. This focused attention on the large-cultivating provinces where poppy cultivation is most entrenched in the social and economic fabric, and also led the State Department to advocate deviating from the coordinated and collaborative approach developed by the Afghans and British. The urgency increased throughout 2004, and culminated in a determined effort to instigate aerial eradication measures in Afghanistan. Interestingly, from July to November 2004, the State Department was working closely to develop a U.S. version of the Five Pillar Plan which mirrored and complimented the Afghan and British plans. This effort to develop a balanced counter-narcotics approach did not mitigate the urgent advocacy for aggressive eradication. By the summer of 2005, the State Department began to re-assess its approach to eradication, although the quest for deterrence is still a factor in the policy approach.

The USAID approach has worked within the formal plans developed by the State Department, and increasingly is coordinated with those of the Afghan and British governments as well. Counter-narcotics is only one of several policy issues addressed by USAID, and appropriately their efforts focus on the major-production provinces as the goal of their Alternative Livelihood programs is to establish licit economic choices, which will take many years.

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<sup>179</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 32.

The DEA has consistently pursued interdiction efforts to the maximum extent possible, given limited resources and constrained access to the country. Their efforts have been very successful in proportion to the access and resources that they have been able to bring to bear in Afghanistan.

The DoD has resisted getting directly involved in counter-narcotics efforts since its earliest involvement in Afghanistan. Indirect involvement has increased significantly since the summer of 2004, when the threat posed by the opiate economy began to be understood more clearly.

Congress has also been actively involved in shaping counter-narcotics issues in Afghanistan. While this has not been elevated to major-issue status across the entire Congress, several committees and individual legislators have paid close attention and applied significant pressure on various Executive Branch agencies to elevate the attention and level of effort directed towards counter-narcotics in Afghanistan.

The following analysis of U.S. roles and policy development will consider the State Department, the United States Agency for International Development (USAID), the Drug Enforcement Administration (DEA) belonging to the Justice Department, and the Department of Defense, followed by a short review of Congressional action and statements.

*a. Roles and Policy Evolution at the State Department*

The U.S. Embassy Kabul Office of Drug Control Policy oversees all U.S. counter-narcotics programs in Afghanistan, and advises the Ambassador and the Afghan Interior Ministry on drug policy issues.<sup>180</sup> The most important U.S. policy document for counter-narcotics was developed through this office in coordination with the Transitional Authority, Coalition partners, and multiple U.S. agencies and was released on 17 November 2004. This is the “Five Pillar Plan” which guides current U.S. policy. Before this plan is discussed here, it is important to look at the State Department’s policy emphases and evolution which predate the release of that plan.

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<sup>180</sup> Michael A. Braun, Special Agent, Chief of Operations, Drug Enforcement Administration, testimony before the United States House Committee on International Relations, Hearings on U.S. Counternarcotics Policy in Afghanistan: Time for Leadership, 17 March 2005, [http://www.house.gov/international\\_relations/109/bra031705.htm](http://www.house.gov/international_relations/109/bra031705.htm), (accessed 02 September 2005).

The most prominent discussant of U.S. policy for Afghan counter-narcotics advocated by the State Department has been Robert S. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs. It is clear from Assistant Secretary Charles' written and verbal statements that he holds very high and sincere personal regard for the Afghan Government, its peoples, and their commitment to fight against the opiate economy. The most consistent message he has conveyed is that in the end, counter-narcotics policy is set by the Afghan Government and that the United States must and will support the Afghans 100 percent in pursuing the emphasis areas they select. This has not, however, prevented the State Department and Assistant Secretary Charles as its most prominent spokesperson for advocating a much more aggressive policy stance to be adopted by the Afghans or the United Kingdom. In particular, over the course of 2004 the State Department shifts from tolerant support for U.K./Afghan eradication plans to pushing an inappropriately aggressive eradication campaign.

On 12 February 2004, Assistant Secretary Charles delivered written and verbal testimony to the full House International Relations Committee, having just returned from the International Counter-Narcotics Conference in Kabul. It is in this testimony that the tendency towards impatience first appears. In the written testimony, the Assistant Secretary mentions Afghanistan's National Drug Control Strategy, released in May 2003, which set a goal of eliminating opium poppy cultivation and trade in 10 years. His assessment of this goal was "we can assist in both supporting and accelerating the realization of that goal."<sup>181</sup> His verbal comments reflect a greater sense of urgency than the prepared remarks:

From my perspective, these are the primary needs and they are both important and urgent. To some degree, they are already being met, but we must accelerate that effort. We must make measurable progress toward these goals this year, or we will bear the consequences for decades to come.<sup>182</sup>

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<sup>181</sup> Charles, Testimony, House Committee on International Relations, February 2004.

<sup>182</sup> Robert B. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, verbal testimony before the United States House Committee on International Relations, Hearings on Drugs and Terrorism and U.S. Security Policy, 12 February 2004, [http://www.house.gov/international\\_relations/108/91798.pdf](http://www.house.gov/international_relations/108/91798.pdf), 26.



What was developing was a sense of urgency for producing dramatic results in the near term. At the time of the February 2004 conference, the Afghan and British view of eradication was that it must be directly linked with Alternative Livelihood programs to assist the farmers (and their *qawm*) affected by eradication. Both the written and verbal testimony given by Assistant Secretary Charles call for more accelerated and nation-wide eradication, but both also agree in principle with the Afghan and British view that eradication and Alternative Livelihood programs be linked. The written testimony reads “INL ‘Alternative Livelihood’ projects have had some success, but effective sanctions on illicit activity are critical. The lesson to be drawn is that *economic development and drug law enforcement must be implemented in parallel*” (italics added). The verbal testimony advocates “a nationwide well targeted eradication campaign, one that is credible, one that re-enforces the religious undercurrent of disapproval about heroin production, *and one that is tied to making rapidly available some legitimate alternative income streams*” (italics added). These are arguments for granting incentive and punitive approaches equal status—they are both deemed to be required.

This acceptance of requiring Alternative Livelihood investment to be paired with eradication is explicitly reversed by April of 2004. During verbal testimony given before the House Committee on Government Reform Subcommittee on Criminal Justice, Drug Policy, and Human Resources, Assistant Secretary Charles praised many aspects of the British counter-narcotics policy and results in Afghanistan, although he elaborates some areas of policy disagreement with the United Kingdom. He states

...we believe that the current set of eradication targeting criteria, while designed with the best of intentions, may be overly restrictive. Criteria such as requiring alternative livelihood development to be in place and a preoccupation with avoiding any possibility of resistance may restrict our ability to collectively reach key eradication goals.<sup>183</sup>

The justification for the urgency rests in the stated idea that eradicating 35,000 hectares of poppy would “in fact be sufficient to deter future planting across the country.”<sup>184</sup>

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<sup>183</sup> Charles, Testimony, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, April 2004.

<sup>184</sup> Charles, Testimony, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, April 2004.

Achieving deterrence becomes the key focal point which drives the policy evolution through the remainder of 2004.

In terms of estimating what percentage of the opium crop needs to be eradicated to evoke deterrence, we can review the data (likely) available at the beginning of April 2004. The 2003 UNODC estimate for Afghan opium poppy cultivation was 80,000 hectares, and by April it was clear from the UNODC Afghanistan Farmers' Intentions Survey that the area under cultivation would increase substantially. The UNODC placed 2004 cultivation at 131,000 hectares, and the U.S. at 206,700. These final figures would not be available in early April—not all of the opium poppy in Afghanistan would have been mature enough to distinguish it as opium poppy using satellite detection means, but a substantial amount of it would have been distinguishable in early April, at the time the testimony was given. Even if early U.S. estimates placed the extent of cultivation at “just” 150,000 hectares, an eradication target of 35,000 would be about 23 percent of the whole. It is important to know or roughly estimate the standards of achievement deemed necessary to achieve deterrence through eradication in order to understand policy positions taken by the State Department later in 2004. State Department policy on eradication is essential, as State is the principle source of funding for Afghan and U.S. eradication and voluntary crop reduction programs.<sup>185</sup>

The next major development in the U.S. State Department position came with the release of the “Five Pillar Plan,” which was announced in Washington D.C. by Assistant Secretary Charles on 17 November 2004. Near the beginning of the On-The-Record Briefing, Assistant Secretary Charles noted that the new U.S. plan was the result of five months of collaborative efforts undertaken with the Afghan Government, the British and other Coalition members, and the involved agencies of the United States, and he credited the Afghans as being “the primary driver on this.”<sup>186</sup> He also characterized the plan as being an evolutionary, and not revolutionary, set of thoughts. A careful

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<sup>185</sup> Lennard J. Wolfson, Assistant Deputy Director for Supply Reduction, Office of National Drug Control Policy, Testimony before the United States House Committee on Government Reform, Subcommittee on Criminal Justice, Drug Policy and Human Resources, “Securing America from Drugs and Terrorism,” May 10, 2005.

<sup>186</sup> Robert B. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, “Counternarcotics Initiatives for Afghanistan,” On-The-Record Briefing given 17 November 2004, Washington, D.C., [www.state.gov/p/inl/rls/prsr/spbr/38352.htm](http://www.state.gov/p/inl/rls/prsr/spbr/38352.htm) (accessed 02 September 2005).

reading of previous policy statements bears this out, in that many of the ideas presented in the new plan were present before, although they had not been organized within a collaborative framework designed to improve interagency and international cooperation on counter-narcotics policy implementation, which is a significant improvement to U.S. policy found in the new plan. Another positive development in State Department thinking was a return to a strong dedication to linking Alternative Livelihood investment to eradication efforts. Assistant Secretary Charles stated:

In fact, I think there has to be really a proportionate, and there will be a proportionate, increase in the effort dedicated to alternative livelihoods that matches the eradication effort that the Afghan Government chooses.... When you match eradication efforts directly with alternative livelihoods, development in places like the Chapare [Bolivia], it works exceedingly well.... [the U.S.] put \$26 million in this year, the British put \$5 million in; it was, again, intended to tie directly to eradication and there is more that can be done to tie it ever more tightly to the eradication effort.”<sup>187</sup>

It was made clear in the briefing that Alternative Livelihood assistance would be targeted to help both farmers and non-farmers in rural areas (essentially, addressing the wider needs of the *qawm*) affected by eradication, because the economic impacts go beyond just the farm families themselves.

As before, however, the sense of urgency at achieving a deterrent effect through eradication was expressed loud and clear: “[t]he final factor is eradication, and the effort here... [is to have] farmers see the opium crops being destroyed and that they think twice about planting into the future.”<sup>188</sup> This imperative leads the State Department to advocate aerial eradication. It may be inferred that manual eradication was deemed insufficient to destroy the roughly 23 percent of cultivated area thought to be required to achieve deterrence, especially with the major increase in cultivated area in the 2004 growing season. If a similar area were cultivated in the 2005 season, it would require roughly 48,000 hectares to be eradicated based on final U.S. estimates of the 2004 cultivation area. At the time of the briefing, the State Department had requested \$152

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<sup>187</sup> Robert B. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, “Counternarcotics Initiatives for Afghanistan.”

<sup>188</sup> Robert B. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, “Counternarcotics Initiatives for Afghanistan.”

million for aerial eradication in Afghanistan. Assistant Secretary Charles mentions the State Department's FY05 – 07 request for \$780 million for Afghan counter-narcotics spending, but he did not provide the breakout. Subsequent reporting indicates that \$152 million was slated for aerial eradication and \$138 million for manual eradication.<sup>189</sup> The budget request would have been under development *during the same period* that the United States was coordinating with Afghan and Coalition partners to develop the Five Pillar Plan. In spite of statements during the briefing to the effect that the Afghan Government is directing counter-narcotics policy, e.g. “however they [the Afghan Government] choose to do it, we are going to be there full-bore, 100 percent to support them,” the State Department did not relent in its advocacy for aerial spraying. In fact, Drug Enforcement Administration Director of Operations Michael Braun, in testimony before the House Committee on International Relations, stated “The U.S. Government led the discussion in 2004, encouraging aerial eradication.”<sup>190</sup> The Afghan position has been clear that they do not want aerial eradication, and that position became public with the un-attributed spraying in eastern Nangarhar in mid-November 2004. The budget request for aerial eradication was not changed until mid-January 2005.<sup>191</sup> Even at that time, Secretary of State-designee Rice stated in her confirmation hearing that “[a]t this point, manual [eradication] is all we can do, but we’ll see whether aerial is needed”<sup>192</sup> and Assistant Secretary Charles stated that aerial eradication “is not off the table” in Afghanistan.<sup>193</sup>

The *Los Angeles Times* reporter who published some of the accounts referenced above states that “[t]here was division within the [State] [D]epartment and the National Security Council over the wisdom of spraying and whether the United States should use its powerful influence to overcome Karzai’s opposition.”<sup>194</sup> The issue of

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<sup>189</sup> Sonni Efron, “An Afghan Quandary for the U.S.,” *Los Angeles Times*, 02 January 2005.

<sup>190</sup> Braun, Testimony, House Committee on International Relations, March 2005.

<sup>191</sup> Robert B. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, “Counter-narcotics Initiatives for Afghanistan,” Sonni Efron, “U.S. Backs Away From Afghan Aerial Spraying.”

<sup>192</sup> Sonni Efron, “U.S. Backs Away From Afghan Aerial Spraying.”

<sup>193</sup> Guy Taylor, “U.S. Delays Aerial Anti-Opium Drive,” *The Washington Times*, 25 January 2005, <http://www.washtimes.com/national/20050125-101706-8556r.htm>, (accessed 24 August 2005).

<sup>194</sup> Sonni Efron, “U.S. Backs Away From Afghan Aerial Spraying.”

influence is critical—the November 2004 to January 2005 time period is merely the culmination of a strong State Department expression of dissatisfaction since April 2004 with the pace of British-led counter-narcotic activity. That portions of the State Department and National Security Council would advocate an aerial destruction of rural agricultural capacity which directly supports 14 percent of the rural population (and indirectly much more) in a country which experienced an aerial destruction of agricultural capacity in the early 1980's at the hands of the Soviet military illustrates the level of urgency which drove and clouded thought processes. Fortunately, the Afghans and British resisted such calls, but the extremity of the United States position combined with the UNODC cultivation numbers prompted the British and Afghans to adopt a much more aggressive eradication stance during the November '04 to January '05 time frame. This aggressive approach led to the violent confrontations against eradicators in Kandahar Province in early 2005. Also in 2005 we saw an overly aggressive trafficking interdiction in Nangarhar where, following the successful destruction of 14 heroin labs and the raid of an opium bazaar, village homes were searched in a manner which prompted deep central government resentment and an expression by regional tribal leaders that central government jurisdiction was not required or welcome. A more moderate stance from the United States would have relieved some of the pressure on the Afghans and British for “rapid” results; the United States developed a comprehensive and coordinated approach in the U.S. Five Pillar Plan, but deeds and words did not match the negotiated approach. We must keep in mind that the goal is central government stabilization, and building a democracy which links historically separated central leadership with rural *qawm* society. Confronting the opiate economy is fundamentally critical to achieving that goal; how we choose to confront that economy is our path, but we should not conflate or confuse the two. Friedrich Nietzsche is quoted as saying “many are stubborn in pursuit of the path they have chosen, few in pursuit of the goal.” We must evaluate our policy choices and emphases in terms of their ability to draw us closer to our goal, and be willing to make adjustments.

Another aspect of the British eradication policy approach which has become the target of U.S. dissatisfaction is the Provincial-Governor-led eradication programs. Assistant Secretary Charles stated in the November 2004 briefing

[the British] worked very hard to try to bring governor-led eradication to fruition this year. I think there were a lot of obstacles to that and they're self-evident.... [later in the briefing] I think we've learned that governor-led eradication... [and] verification of eradication, when done by governors, is very difficult. Why? Because poppy, when you eradicate it, and the field is all done and carted away, it doesn't look a whole lot different from when it's been harvested.<sup>195</sup>

The intent of the critique is that instead of achieving eradication, governor-led eradication may simply result in a sham. But accountability is precisely the value of governor-led eradication programs—as stated by the retired British officer working in the Central Eradication Planning Cell “[we] now have the benefit of two UK remote sensing platforms that have provided us with some superlative imagery with which to plan and, hold the governors accountable if they err.”<sup>196</sup> Establishing central government authority over the provinces, or ‘moving the government from the periphery to the middle’ in Roy’s characterization, is a challenge which historic Afghan culture has resisted, and is essential to establishing a stable, democratic central government. The interaction and accountability required of the governor-led eradication program is an excellent opportunity to exercise and institutionalize that central authority over and connectedness to the periphery. The U.S. critique of the governor-led eradication is based on a dedication to the path, not a focus on the goal. The officials must ask if this is caused by the urgency which permeates the U.S. approach to eradication policy, and which also induced a lower-than-required deference for rural sentiment during eradication and interdiction activities in 2005.

Just as there is a division within the State Department on the wisdom of aerial eradication policy, there is also a division in the sense of urgency towards the overall opiate economy problem. In fairness to Assistant Secretary Charles, he openly discussed the fact that instant results cannot be expected in curbing opium poppy cultivation. In response to a reporter who asked, during the November briefing, “what went wrong with the approach” of international programs to confront cultivation in the 2004 growing season, he likens the expectation that we should see instant reductions in

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<sup>195</sup> Robert B. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, “Counternarcotics Initiatives for Afghanistan.”

<sup>196</sup> Author’s access to e-mail sent from a retired British officer serving in the Central Eradication Planning Cell to Instructor at Naval Postgraduate School, sent 07 June 2005.

cultivation to expecting that a house could be built in 24 hours—the process of building a foundation, framing multiple floors, and adding a roof cannot all be done simultaneously. The analogy refers to the need to establish a legitimate government, build institutions, pass laws, educate the populace and build expectations of enforcement and prosecute offenders—eventually behavior will change. The 2005 International Narcotics Control Strategy Report (INCSR) published by the State Department Bureau for International Narcotics and Law Enforcement Affairs also maintains two states of mind in terms of the sense of urgency and of patience for counter-narcotics policy in Afghanistan. The first sentence of the second paragraph assessing Afghanistan precipitously declares “Afghanistan is on the verge of becoming a narcotics state,” while the last paragraph on Afghanistan quietly states

Poppy cultivation is likely to continue until responsible governmental authority is established throughout the country and until rural poverty levels can be reduced via provision of alternative livelihoods and increased rural incomes.... Sustained assistance to poppy-growing areas... combined with law enforcement, drug education, and eradication programs *are expected to reduce the amount of opium produced in Afghanistan over time....* Political stability and assistance by the donor community *over many years* will be required to help the Afghan government succeed. [italics added]<sup>197</sup>

The full understanding that this is not an issue which can be fixed overnight, or in one growing season, is resident within the minds of State Department policy makers. What is required now is that the sense of exuberant urgency, which has unfavorably affected U.S. policy recommendations and their resulting consequences, be recognized and dropped from U.S. policy formulation on the subject.

Surprisingly, the 2005 INCSR, published in March 2005, does not elaborate the Five Pillar Plan presented by Assistant Secretary Charles in November 2004. It does mention a “comprehensive and integrated program” developed in collaboration with the Government of Afghanistan and the United Kingdom, and it lists six aims of the program. Overall, the best current description of the Five Pillar Plan was delivered on 12 July 2005 by Acting Assistant Secretary of State for International

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<sup>197</sup> United States Department of State, *International Narcotics Control Strategy Report 2005, vol I, Drug and Chemical Control*, (Washington, D.C.: State Department, March 2005), 268 – 269, <http://www.state.gov/g/inl/rls/nrcrpt/2005/vol1/html/42366.htm> (accessed 27 May 2005).

Narcotics and Law Enforcement Affairs Nancy Powell, during testimony before the House Appropriations Committee, Subcommittee on Foreign Operations, Export Financing and Related Programs. In her prepared remarks, the five pillars are given (in order of presentation) as Law Enforcement, Interdiction, Eradication, Alternative Livelihoods, and Public Information.

Law Enforcement and security throughout the country were characterized as “[t]he most immediate concern of the government of Afghanistan.”<sup>198</sup> State Department initiatives, through the Bureau of International Law Narcotics and Enforcement Affairs (INL), included capacity-building and organizational reform in the Afghan Interior Ministry, establishing a Central Training Center for Afghan police in Kabul, as well as Regional Training Centers in Gardez, Mazar-i-Sharif, Kandahar, Kunduz, Jalalabad and Herat. The goal is to provide training to 50,000 national police, including 3,400 highway patrol officers, and 12,000 border police, working closely with Germany who has the Coalition lead on police training. As of June 2005, 40,000 police had received basic training, including 2,600 border police and 770 highway police. Future training initiatives will go beyond classroom instruction on basic skills to field training and mentoring.<sup>199</sup> Additionally, criminal justice system and corrections capacity building is a key focus.

In the area of Interdiction, some of the State Department capacity-building initiatives within the Afghan Interior Ministry will directly contribute to this pillar. Also, Acting Assistant Secretary Powell noted that tactical airlift support is critical to the success of interdiction operations, and INL is coordinating the use of Huey II helicopters to provide reconnaissance, medical evacuation, gunship and light logistical support to interdiction (and eradication) operations. Other prime U.S. contributors to the interdiction pillar include the Department of Defense, which provides some logistical support to the Afghan Special Narcotics Force. DoD also provides logistics, training and some equipment to the Drug Enforcement Administration’s Foreign-deployed Advisory

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<sup>198</sup> Nancy J. Powell, Acting Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, testimony before the United States House Committee on Appropriations Subcommittee on Foreign Operations, Export Financing and Related Programs, 12 July 2005, <http://www.state.gov/p/inl/rls/rm/51065.htm>, (accessed 02 September 2005).

<sup>199</sup> Powell, Testimony, Subcommittee on Foreign Operations, July 2005. Closely paraphrased.



Support Teams (FAST), which work directly with the Afghan National Interdiction Unit, providing training, mentoring, and direct operational support during interdiction operations.

Eradication is the next pillar. Acting Assistant Secretary Powell stated:

The credible threat of eradication is a major disincentive to opium poppy growers and in our view a necessary component of any successful national counternarcotics strategy. There are some indications that the increased perception of risk in growing poppy [due to threatened eradication] was one of the factors contributing to reportedly lower poppy cultivation this year.<sup>200</sup>

The assertion that eradication is a *major disincentive* is only weakly supported by *some indications of a perception of risk*. It is further undermined by the fact that four Central Poppy Eradication Force teams, comprised of 495 police plus civilian laborers and international support staff, managed to destroy only 216 hectares of poppy in the 2005 growing season, while just two CPEF teams managed to destroy 900 hectares late in the 2004 growing season.<sup>201</sup> If the standard for eradication to induce deterrence was set at approximately 23 percent of cultivation for the 2004 season, then eradicating an area in 2005 equivalent to just .165 percent of the 2004 cultivation area (using UNODC estimates; .104 percent using U.S. estimates of 2004 cultivation) does not begin to approach the status of being a major deterrent.

As a result of this performance in 2005, the State Department is pursuing what is billed as a new provincially-based Poppy Elimination Program (PEP). This will involve deploying special counter-narcotics teams to provincial governments “*in key poppy-producing areas*” [italics added].<sup>202</sup> These teams will consist of eight to ten Afghan and international advisors who will monitor cultivation, coordinate alternative livelihood programs, report the degree of compliance to the Afghan government and request eradication by provincial or national authorities. Provincial Governors will be given technical assistance with eradication “when illicit planting is not deterred.”<sup>203</sup> In

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<sup>200</sup> Powell, Testimony, Subcommittee on Foreign Operations, July 2005.

<sup>201</sup> Powell, Testimony, Subcommittee on Foreign Operations, July 2005.

<sup>202</sup> Powell, Testimony, Subcommittee on Foreign Operations, July 2005.

<sup>203</sup> Powell, Testimony, Subcommittee on Foreign Operations, July 2005.

the event that provincial leadership does not respond appropriately, an air-mobile Rapid Reaction Eradication Force (RREF) composed of re-constituted CPEF teams will be employed by the central government to effect compliance. Medium- and heavy-lift helicopters will be leased to support these operations.

Summarizing the new approach to the eradication pillar, Acting Assistant Secretary Powell said:

We believe these programmatic changes offer a realistic possibility of creating credible eradication capacity for the Government of Afghanistan and will also improve the flow of information concerning opium poppy cultivation to senior levels of the Afghan Government. This revised program will also provide the disincentives needed for alternative livelihood programs to succeed.<sup>204</sup>

The logic, as expressed, is incomplete both in what is present and what is absent from the thought process. What is present in the logic is a continued belief that the deterrence created by eradication is the most effective means to reduce cultivation. Deterrence alone cannot take into account opium debt established through the *salaam* system; once a farmer has taken the loan, the risk of not cultivating is much higher and more certain than the risk of cultivating and perhaps suffering eradication. Deterrence also does not establish a reciprocal relationship between the government and its people—it is by nature extractive (by taking away opportunity) and imposes outside standards on the *qawm*. While ultimately this is necessary in terms of law enforcement, to make this our primary focus is to immediately evoke the traditional attitude of the *qawm* towards the government—extreme resentment, mistrust, and evasion of authority. A more culturally-productive approach in Afghanistan would be to build trust through reciprocal relationships, via Alternative Livelihood programs, or using as a model the program undertaken in Peru where a village signs a contract to not cultivate or to self-eradicate in exchange for a development program of their choice, which has been described as being highly effective.<sup>205</sup> Law enforcement must come, but it has to be within the context of a reciprocal relationship. What is absent from the expressed logic is the understanding that interaction between the central government and provincial leaders is essential, and it

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<sup>204</sup> Powell, Testimony, Subcommittee on Foreign Operations, July 2005.

<sup>205</sup> Charles, “Counternarcotics Initiatives for Afghanistan,” November 2004.

contributes to a necessary change in attitude toward the role of the central government in Afghan society. What is valued in the new program is that it will improve eradication, and therefore deterrence, and that it will improve the quality of information at the central-government level. While U.S. support for a Governor-led eradication program is a welcome development, it should be understood for its full range of benefits, and limitations. Once again, the stated reasoning for support indicates a commitment to a path, not a focus on the goal, and it may indicate a failure to fully appreciate the cultural context of Afghanistan and harness that context to advance our long-term interests.

One critically important positive development is that the tendency towards exuberant urgency is visibly absent from Acting Assistant Secretary Powell's statement. In fact, her closing remarks on Afghanistan (the testimony covered INL efforts in many countries) were an almost verbatim reiteration of the patient mindset presented in the closing lines of the Afghanistan section of the 2005 INCSR—"all of the measures that I have discussed are an essential beginning to a long process."<sup>206</sup> There were no references to Afghanistan being on the verge of becoming a narco-state. Corruption is still a primary concern at the State Department, as it should be, but it is not seen as an imminent threat to the central government as it is mainly found at the local and provincial levels.<sup>207</sup> Corruption at these levels is in many ways business-as-usual in terms of the *qawm* keeping the government out of *qawm* affairs. As positive experiences accrue through a reciprocal relationship between the central government and the provincial and district leaders and *qawm* in their rural communities, the reflexive use of corruption to keep the central government authorities out of *qawm* and local/regional affairs will abate to some degree, and it will establish an environment where law enforcement eventually will be able to assert itself to more completely restrict corruption. While corruption is part of the historic rural-state tension which needs to be overcome, the most serious threat corruption poses is with respect to provincial and especially district elections. That narcotics trafficking (and perhaps at the most local *qawm* level, opium cultivating) can generate enough income to fund corruptive activities, and that cultivation—and therefore trafficking—has extended into every province, should cause significant concern as

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<sup>206</sup> Powell, Testimony, Subcommittee on Foreign Operations, July 2005.

<sup>207</sup> State Department, *International Narcotics Control Strategy Report 2005*, vol I, 268 - 269.

elections move to the provincial and eventually district level. A nascent democracy can likely overcome limited instances of corrupt elected officials, but having a majority of corrupt officials would pose insurmountable problems. This complication will contribute to the policy recommendations presented in Chapter V.

Alternative Livelihoods is the next pillar in the plan, and the lead agency for this pillar is the United States Agency for International Development (USAID). Their programs are discussed separately below, but they fall into a new three-phase approach developed within the Alternative Livelihood pillar. Previous Alternative Livelihood programs had focused on developing integrated crop processing facilities, storage areas, and market access for wheat and other cereal crops.<sup>208</sup> The new phased approach builds on those previous activities, and the first phase calls for an acceleration of previous programs, coupled with farmer education, rural micro-credit extension (an alternative to *salaam* loans). Phase one began in early 2005 and should extend through 2006. The second phase is a one-year “Immediate Needs” program designed to provide alternative rural employment opportunities on labor-intensive programs to rehabilitate agricultural infrastructure such as irrigation systems, beginning in December 2004. Immediate Needs programs are designed with local councils and tribal leaders in areas where crop eradication is planned or where voluntary non-cultivation took place in 2005, particularly in Nangarhar and Laghman, and will push \$20 million in wages into those rural areas by November of this year.<sup>209</sup> This program may be renewed in 2006. The third phase, termed “Comprehensive Development,” began in mid-2005 and will run through 2009 in key poppy-producing areas.<sup>210</sup> Projects will include long-term infrastructure construction for both rural and urban communities, expansion of credit and financial

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<sup>208</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 30. The phases described by the CRS do not conform to a chronological ordering.

<sup>209</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 31; United States Agency for International Development, *Alternative Livelihoods Update: Issue 5*, 23 June – 20 July 2005, [http://www.usaid.gov/locations/asia\\_near\\_east/afghanistan/weeklyreports/072005\\_alp.pdf](http://www.usaid.gov/locations/asia_near_east/afghanistan/weeklyreports/072005_alp.pdf), (accessed 03 September 2005).

<sup>210</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 31.

services to rural markets, promoting agricultural diversification into licit high-value markets in both Afghanistan and internationally, and the removal of administrative barriers to efficient business practices.<sup>211</sup>

Public Information is the final pillar of the U.S. plan. Acting Assistant Secretary Powell stated that: “the goal of our public information efforts is to change attitudes in an Afghan culture where many people are still unaware poppy cultivation is illegal and that illicit drugs pose a major public health threat.”<sup>212</sup> The BBC and Voice of America are broadcasting anti-drug messages in both Pashto and Dari that link the drug trade to conflict, crime, corruption and warlordism. Also, a local marketing agency is being hired to publicize the anti-poppy-planting message at the provincial and district level, with an express interest in shaping farmer’s (and *qawm*’s) views before the planting season begins. A longer-term public information campaign is currently under development, and as in all areas of the Five Pillar Plan, this will be closely coordinated with the Afghan Government and Coalition allies.

The particular strengths of the Five Pillar Plan are that it is designed to pursue a comprehensive and balanced approach to counter-narcotics, one which mirrors and integrates well with the Afghan Eight Pillar Plan. How well it meshes depends on the policy thrust taken by the United States overall and the State Department in particular. It is highly encouraging to see the return to a more patient, long-term approach to counter-narcotics, one which hopefully will avoid inducing precipitous counter-narcotics behavior which evokes the traditional *qawm* response to external government interference or violates *pashtunwali* in rural Pashtun villages. In its acceptance of a longer-term view, the State Department should also reassess the standards of progress that it adopts to ensure that, as became the case in pursuing inappropriately aggressive eradication policies, it does not maintain a dedication to the paths it has chosen over and above, and to the detriment of, the goals which it is earnestly trying to bring to fruition.

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<sup>211</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 31; Powell, Testimony, Subcommittee on Foreign Operations, July 2005.

<sup>212</sup> Powell, Testimony, Subcommittee on Foreign Operations, July 2005.

**b. *USAID Contributions to Counter-Narcotics***

The USAID counter-narcotics programs, particularly the Alternative Livelihood programs, are part of a much larger constellation of development initiatives which USAID is directing and funding in Afghanistan. This constellation of plans is outlined in the USAID/Afghanistan Strategic Plan 2005 – 2010 (USAID Strategic Plan), which dovetails with the Joint USAID-State Department Strategic Plan. The Joint Plan calls for development in four areas, three of which the USAID Strategic Plan supports directly: economic reconstruction; rebuilding a legitimate and capable state governed by rule of law; and social reconstruction, which involves health and education services and the renewal of a strong civil society. The fourth Joint Plan area is security, to which the USAID does not directly contribute.<sup>213</sup> The USAID Strategic Plan does see itself as intentionally contributing to security through indirect means, and particularly through support of the United States government's counter-terrorism and international crime and drugs program.<sup>214</sup> With respect to counter-narcotics, USAID intends to assist Afghanistan in

[t]ransform[ing] a rapidly growing illicit economy based on poppy cultivation into a diverse and formal economy, led by the private sector, that raises incomes of most people, creates opportunity, and reduces poverty.<sup>215</sup>

This is an excellent and succinct mission statement for Alternative Livelihood programs with respect to counter-narcotics.

The USAID Strategic plan states that it is targeting its Alternative Livelihood investment to create viable options to poppy cultivation in 10 priority provinces. It is initially focusing on Nangarhar, Kandahar, Hilmand, and Badakshan, but it does not name the additional provinces. It envisions a multi-year effort to establish viable licit economic options by developing economic and social stability which will eventually replace the opium-poppy dominance in the rural economies where it is deeply entrenched.

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<sup>213</sup> United States Agency for International Development, *USAID/Afghanistan Strategic Plan 2005 – 2010*, May 2005, 1, [http://www.usaid.gov/locations/asia\\_near\\_east/afghanistan/weeklyreports/072005\\_alp.pdf](http://www.usaid.gov/locations/asia_near_east/afghanistan/weeklyreports/072005_alp.pdf), (accessed 02 September 2005).

<sup>214</sup> USAID, *Strategic Plan 2005 – 2010*, May 2005, 4.

<sup>215</sup> USAID, *Strategic Plan 2005 – 2010*, May 2005, 6.

Currently, the plan calls for roughly \$120 million in 2005 for Alternative Livelihood investment to assist counter-narcotic policies, followed by a large increase to \$200 million in 2006, and then a significant drop to \$75 million per year for the period 2007 – 2010.

USAID supports the Immediate Needs and Comprehensive Development programs mentioned in the Alternative Livelihoods portion of the Five Pillar Plan discussed above. In addition, the USAID Good Performers Fund supports highly visible and sustainable economic development initiatives in provinces where there is a commitment to discourage poppy cultivation and to maintain a poppy-free province.<sup>216</sup> One example is the July 2005 delivery of 41 tons of corn seed and 232 tons of fertilizer to 3,000 farmers in Uruzgan province. Kunar Province also earned a Good Performers Fund distribution in the form of a \$5 million cash-for-work program which was scheduled to start in August 2005.<sup>217</sup>

The USAID counter-narcotics mission is complicated by the security environment. As part of the Immediate Needs program, USAID signed contracts with Chemonics and DAI corporations on 15 February 2005. Both contracts entered into operation, but activity in Hilmand and Kandahar provinces were suspended when seven Chemonics employees were killed in Hilmand on 18 – 19 May. As of the second half of July, operations in these areas were still on hold pending improvements to security arrangements by the contractors.<sup>218</sup>

The USAID Strategic Plan does not discuss specifically assisting counter-narcotics policy advancement in confronting the widely distributed but comparatively small cultivation areas which are scattered across every non-major-cultivation province in Afghanistan. In one sense this is perfectly understandable, in that USAID assistance for counter-narcotics is intended to entirely re-orient the local economies where opium poppy is entrenched, and that is inherently a high-investment, multi-year endeavor.

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<sup>216</sup> USAID, *Alternative Livelihoods Update*, Issue 5, 23 June – 20 July 2005.

<sup>217</sup> USAID, *Alternative Livelihoods Update*, Issue 5, 23 June – 20 July 2005.

<sup>218</sup> USAID, *Alternative Livelihoods Update*, Issue 5, 23 June – 20 July 2005; Chemonics International, Inc., “Chemonics mourns deaths of Afghans in two recent attacks in Helmand province,” [http://www.chemonics.com/aboutus/news\\_reader.aspx?content\\_id={933E678E-4AEA-4BF0-9B64-C4711CD9EBAC}](http://www.chemonics.com/aboutus/news_reader.aspx?content_id={933E678E-4AEA-4BF0-9B64-C4711CD9EBAC}), (accessed 27 May 2005).

*Qawm* who produce in areas where opium production does not form the foundation of the local economy likely have other economic options available, and may well be served by other USAID development programs. The caution for USAID policy (and warning for other counter-narcotics policy-makers) is that by focusing on the large-producer areas first (which makes sense for the USAID as their economic redirection will take years) is that as production is squeezed in the traditional large-cultivation areas, traffickers will attempt to induce greater cultivation in areas where cultivation is present but not currently prevalent or deeply entrenched. Additionally, local leaders in low-cultivation areas may see expanded cultivation as the ticket to greater local investment through USAID programs. The result is that the USAID may face the prospect of having to greatly expand its areas of high investment economic re-direction if the opiate economy is not first completely driven out of areas where it is presently only a minor contributor to the local economy. Using a medical analogy, preventive medicine is much less expensive than trauma/emergency medical intervention, and the USAID should explicitly consider addressing small-cultivation areas early rather than later.

*c. Drug Enforcement Administration Contributions to Counter-Narcotics*

The Drug Enforcement Administration's (DEA) purpose in Afghanistan is to support the Interdiction pillar of the 5-pillar plan. Within the environmental constraints of security and poor transportation access, the DEA has done an outstanding job in its mission. Initial DEA efforts were constrained to Operation Containment, a highly successful 19-nation cooperative interdiction plan to secure the border regions of nations neighboring Afghanistan, as well as down-stream trafficking destinations, from opiate traffic departing Afghanistan. The operation netted 17.3 metric tons (MT) of heroin, 7.7 MT of morphine base, 8.9 MT of opium, 230 MT of cannabis, 11 heroin labs, and made 693 arrests between the first quarter, FY 2002 and the end of the first quarter, FY 2005. Of those amounts, 2.4 MT of heroin, 985 kilograms of morphine base, 3 MT of opium gum, 153 MT cannabis and 195 arrests were netted in just the first quarter of Fiscal Year 2005.<sup>219</sup> The preponderance of success accrued recently is testimony to the difficult operational circumstances which DEA faces, which are only recently improving.

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<sup>219</sup> Braun, Testimony, House Committee on International Relations, March 2005.



The DEA re-opened its Kabul Country Office in February 2003 and initially was essentially proscribed from conducting traditional drug enforcement operations due to security concerns. DEA is now allowed to leave Kabul if specific security criteria are met; these criteria are strict and unfortunately rarely can be met. As of March 2005, DEA has 12 permanent and temporary-duty staff in country who conduct investigations into trafficking networks and coordinate DEA activities with the Combined Forces Command-Afghanistan (CFC-A) Intelligence Fusion Center, and the Combined Joint Task Force – 76 (CJTF-76). Significantly, the DEA Assistant Administrator for Intelligence is leading the U.S. Embassy Kabul's Office of Drug Control Policy.

DEA in-country personnel also provide training and mentoring to the Afghan National Interdiction Unit (NIU), a division of the Counter-Narcotics Police of Afghanistan created with DEA assistance. Training for CNPA officers to bring them into the NIU began in October 2004. As of March 2005, 77 officers had received training, and significantly 6 of these officers are female. This is essential to conducting interdiction operations in areas where cultural sensitivities (e.g. *pashtunwali*) prohibit men from questioning, touching, searching or arresting female suspects. The unit had expanded to 100 trained members as of May with 200 expected by the end of the year. DEA training and mentorship should allow independent NIU operations within two years.<sup>220</sup>

A critical element of the DEA training and mentoring for the NIU is its Foreign-deployed Advisory Support Teams (FAST). Primarily with Department of Defense funding and support, the DEA has established five FAST teams, each consisting of six specialists. Two teams are deployed for 120-day rotations into Afghanistan, while the remaining three conduct training and off-site operational support for the deployed teams from their training location at the DEA Academy in Quantico, Virginia.<sup>221</sup> The first operational interdiction came on 15 March 2005. With DoD support, a DEA FAST team accompanied 36 NIU officers on a mission against three heroin processing labs in

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<sup>220</sup> Braun, Testimony, House Committee on International Relations, March 2005.

<sup>221</sup> Braun, Testimony, House Committee on International Relations, March 2005.

Nangarhar. The DEA agents collected highly valuable evidence and the combined teams destroyed just over 2 MT of opium in addition to the processing labs.<sup>222</sup>

The DEA is deeply committed to building a professional counter-narcotics law enforcement capability within the Afghan CNPA and NIU. Given the scale of the interdiction challenges posed by the Afghan opiate economy, it is unfortunate that the DEA is limited in its presence in Afghanistan to, typically at most, 24 agents. The case load these officers and their CNPA and NIU counterparts generate is likely proportionate to the capabilities of the fledgling Special Counter-narcotics Court being developed through the Afghan Eight Pillar Plan, and the capacity of both law-enforcement-based interdiction and prosecution will grow over time. In the near term of the next few years, however, given the limited law-enforcement-based interdiction capability (even including the British-led ASNF and the Afghan Border and Highway Police) and the limited prosecutorial capability, policy-makers should carefully consider alternative means to confront and debilitate the trafficking side of the economy.

*d. Department of Defense Contributions to Counter-Narcotics*

The Department of Defense has been one of the strongest proponents of maintaining the artificial distinction between counter-terror and counter-narcotics priorities, particularly with respect to its own activities in Afghanistan. This point of view has begun to evolve as there is an increasing awareness that the opiate economy is a fundamental threat to stability in Afghanistan. While the DoD has staunchly avoided intentionally-targeted counter-narcotic activity, it has been willing to provide substantial indirect support to counter-narcotics efforts, and this support is on-going. To date, it appears that the levels of indirect support have served to deflect criticism of the Department's reluctance to get directly involved in counter-narcotics. There is still pressure from the State Department and Congress for the DoD to take a more active, direct role in counter-narcotics, and this has been echoed even within some policy circles in the Department itself. The following paragraphs will outline the basic policy evolution to counter-narcotics in Afghanistan, as well as the highlights of the indirect support which the U.S. military has provided to counter-narcotic efforts in Afghanistan.

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<sup>222</sup> Long, Testimony, House Committee on International Relations, March 2005.

Counter-terror activities have been DoD's top priority from the beginning of Operation Enduring Freedom, as Deputy Secretary of Defense for Counter-narcotics Mary Beth Long noted in March 2005 Congressional testimony:

As you know, since Coalition forces evicted the Taliban in December 2001, the primary mission of U.S. military forces in Afghanistan has been to defeat terrorists and an insurgency—being waged by Al Qaeda, the Taliban leadership, Hezb-i Islami Gulbuddin (HIG), and other anti-coalition and anti-government forces.<sup>223</sup>

The expansion of DoD's mission to include a more formal counter-insurgency apparently developed during the summer of 2004. A senior European diplomat in Kabul stated in October 2004

It is only since July that Americans have begun to see the importance of dealing with warlords... One reason why I'm slightly optimistic about Afghanistan is that the American government appears to have woken up in the last few months to the problem of drugs and the relations of drugs to the power of warlords and commanders.<sup>224</sup>

In August 2004, Secretary of Defense Donald Rumsfeld said during a visit to Kabul that the opium trade was a problem "too serious to be ignored"<sup>225</sup> and "[i]t threatens the democratic system in Afghanistan, to the extent that many millions (of dollars) are available to people who are not democratic and (that) puts at risk that entire system."<sup>226</sup> By October 2004, the senior American commander in Afghanistan, Army Lt General David Barno stated "[w]e're assessing exactly how the military's role may be reshaped as we go into this coming year, given the significant threat that drugs is making to the future of Afghanistan."<sup>227</sup>

Deputy Secretary Long stated that the any DoD plan to confront drug trafficking and the drug trade networks (her verbiage, which importantly excludes using

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<sup>223</sup> Long, Testimony, House Committee on International Relations, March 2005.

<sup>224</sup> Anonymous diplomat quoted by Anne Barnard and Farah Stockman, "US Weighs Role in Heroin War in Afghanistan," *Boston Globe*, 20 October 2004.

<sup>225</sup> Christian Perenti, "Diary: The Opium Farmers of Afghanistan," *London Review of Books*, 20 January 2005, <http://www.selvesandothers.org/article7763.html>, (accessed 04 September 2005).

<sup>226</sup> Samantha L. Quigley, "Rumsfeld Addresses State of Afghanistan's Terror Fight," *American Forces Information Service*, 11 August 2004, [http://www.defenselink.mil/news/Aug2004/n08112004\\_2004081107.html](http://www.defenselink.mil/news/Aug2004/n08112004_2004081107.html), (accessed 04 September 2005).

<sup>227</sup> Anne Barnard and Farah Stockman, "US Weighs Role in Heroin War in Afghanistan."

DoD assets to confront the cultivation side of the economy) must meet two standards. First, the plan must be endorsed by the Afghan government, and second the plan must fit

within the USG's overall strategic goals in that it recognizes the impact the drug trade has on our other policy objectives, while complimenting (and not competing with) our other efforts in furtherance of those objectives.<sup>228</sup>

This clearly indicates that the distinction between counter-narcotics and other objectives such as counter-terror and government stabilization is still shaping the DoD policy framework, and the caveat “and not competing with” declares a continued priority structure which places counter-narcotics efforts below other efforts. If DoD policy is designed to stabilize the Afghan government, then it must take note that President Karzai has stated “the fight against drugs is the fight for Afghanistan.”<sup>229</sup>

In terms of direct action, U.S. troops in Afghanistan may take action against drug trafficking targets

when those military operations support our stability mission in Afghanistan. If our troops come across drugs or drug producing equipment during the conduct of other military operations, they are authorized to take action against these targets and report all drug related discoveries.<sup>230</sup>

Once again this highlights the Defense Department perception that counter-narcotic operations are distinct and separate from what is required to stabilize the Afghan government. In spite of declarations that there is a new understanding of the threat posed by the opiate economy, that understanding has yet to change how the Department is willing to employ U.S. troops.

According to the testimony, the Department's focus is on building Afghan capacity to confront the problem themselves, and in general DoD support goes most heavily to developing a law enforcement and institutional approach to the problem. This is philosophically consistent with one of the Department's strongest positions as to why it should not engage in direct action—“interdiction without authority and the means by

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<sup>228</sup> Long, Testimony, House Committee on International Relations, March 2005.

<sup>229</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, Summary page (not numbered).

<sup>230</sup> Long, Testimony, House Committee on International Relations, March 2005.

which to prosecute drug offenders [is among several reasons which are] potential destabilizing factors to a newly democratic nation.”<sup>231</sup> Concurrent with this view is that the U.S. military is not trained to do law enforcement work. Through this reasoning, the Defense Department builds a logical and coherent argument in support of its preference, which is to minimize its direct involvement with counter-narcotic activity. This position builds on a long-standing approach towards (or rather, distancing from) counter-narcotics in other parts of the world.

The generalized reluctance to avoid counter-narcotics involvement should not be carried over into Afghanistan. President Karzai, European leaders, and many U.S. leaders understand that the opiate economy, the anti-government non-traditional commanders it funds, and the rural society/central government separation it helps to perpetuate are all fundamental threats to the new Afghan government. The trafficking portion of the opiate economy generates enough annual funds to equal the funding provided to the *mujahidin* who succeeded in the anti-Soviet *jiḥād*. We know the opiate economy funds groups who participated in that anti-central-government battle, and that it could fund other anti-government groups if it is left in place. U.S. military counter-insurgency doctrine does not begin with sending in the prosecutors and evidence collectors. Failing to destroy the opiate economy, or leaving it to others to confront, is equivalent to not taking the fight to the enemy. The Department of Defense can adopt a Lend-Lease approach only for so long, and although that program was critical to the overall Allied success of WWII, Lend-Lease did not produce the battle of Midway, the invasion of Normandy, the reach of long-range strategic bombing, or the fall of Berlin and the Japanese surrender on the *USS Missouri*.

To the extent the Defense Department has provided indirect counter-narcotic support, it has done so reasonably well in 2004-2005, and across many areas. Support is structured to advance three of the pillars of the U.S. Five Pillar Plan, plus one of the Afghan eight pillars.

The Department of Defense is supporting the Law Enforcement pillar by providing facilities, equipment and training to improve the operations of the Afghan

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<sup>231</sup> Long, Testimony, House Committee on International Relations, March 2005.

Border and Highway Police organizations. For the Border Police, DoD is emphasizing support for the Pakistan border areas, and constructed two facilities in FY 2004, one each in Kandahar and Paktika provinces. In FY 2005, they are building eleven additional facilities in the Pakistan border areas. These facilities will be helpful against both counter-narcotic and tariff-evading smuggling activities. Elsewhere, one facility was constructed at Spin Boldak in FY 2004 and eight more are being built in FY 2005 to support border operations along Iran, Turkmenistan, Uzbekistan and Tajikistan. DoD is also providing equipment to the Border Police, including drug detection equipment, cold/wet weather gear, and boots. Significantly, the Defense Department is building a communications system which will link Border Police forces with the National Police communications system, and they are providing small-unit and tactical training to improve the effectiveness and survivability of these units. For the Highway Police, the DoD began construction on multiple facilities along the Ring Road between Kabul and Kandahar during FY 2004. This year, ten more facilities will be added from Kabul to Herat, in addition to facilities along the route east from Kabul to the border checkpoint at Torkham.<sup>232</sup>

For the Interdiction Pillar, the Defense Department is providing equipment, training and logistics support on several fronts. Notably, Deputy Secretary Long reiterated the law-enforcement emphasis for interdiction operations, stating in the opening sentence on this topic “[e]xpanding Afghan interdiction capabilities so that its operations can result in criminal prosecutions is vital to a successful program.”<sup>233</sup> Previously discussed were the DEA FAST teams, which are largely funded by DoD accounts.<sup>234</sup> DoD provides training and equipment for the National Interdiction Unit. Training includes self defense, searches and entry into defended buildings, evidence handling, small unit tactics, marksmanship, close quarters combat, and human rights. No explanation is provided as to why DoD is qualified to train and model these skills while not possessing them in sufficient quantities to undertake interdiction operations. Logistics support is critical, both for the FAST team deployments to Afghanistan and for

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<sup>232</sup> Long, Testimony, House Committee on International Relations, March 2005.

<sup>233</sup> Long, Testimony, House Committee on International Relations, March 2005.

<sup>234</sup> Braun, Testimony, House Committee on International Relations, March 2005.

actual interdiction operations. U.S. Central Command indicates that it can support up to four interdiction operations per month using Blackhawk and leased MI-8 helicopters. Finally, DoD is helping to establish Intelligence Fusion Cells to handle counter-narcotic information sharing between the Combined Forces Coalition-Afghanistan and the Afghan Ministry of the Interior.

In terms of Public Information, the Department of Defense is providing public affairs training to the Ministry of the Interior. This training was instrumental in preparing messages for President Karzai's National Conference on Counter-narcotics, held shortly after his inauguration in December 2004.

Finally, DoD is supporting the Regional Cooperation pillar of the Afghan Eight Pillar Plan. In Uzbekistan, the Department has helped construct three maritime patrol bases on the Amu Darya River bordering Afghanistan and Uzbekistan, as well as constructing a Special Investigative Unit police headquarters, an Uzbek unit which will work closely with the DEA. Additionally, the Department is pursuing several tracks to improve maritime interdiction operations in the seas between Pakistan and the Middle East.

*e. A Survey of Key Congressional Positions on Afghan Counter-narcotics*

Congress plays a very important role in the policy formation of the United States through the budget, laws, hearings and statements. Within Congress, there have been several individuals who have followed the counter-narcotics issues within Afghanistan assiduously, and who have helped to shape the overall policy environment. The following paragraphs offer a survey of the available opinions of some key legislators and committees. Proponents of a more aggressive U.S. counter-narcotics policy have been vocal, and their views are easily found. Interestingly, (potential) opponents to a more active role have remained silent, in certain respects opposing by not granting "issue" status via engaging in active debate in Congress.

The most recent general Congressional statement on Afghan counter-narcotics policy was made in P.L. 108-458, signed into law on 17 December 2004, which was the Intelligence Reform and Terrorism Prevention Act of 2004—legislation which resulted from the 9/11 Commission recommendations. The Act included a Sense of the

Congress statement which read “the President should make the substantial reduction of illegal drug production and trafficking in Afghanistan a priority in the Global War on Terrorism” and this statement also reflects the recommendations of the 9/11 Commission.<sup>235</sup>

Congress also entered into the specifics of the debate. The CRS estimates that debate on aerial eradication, one area in particular for which some lawmakers have clearly expressed support, will continue. For the funds approved in the FY2005 supplemental appropriations bill, which became P.L. 109-13 on 11 May 2005, the Senate report specifies that “none of the funds recommended by the [Senate Appropriations] Committee may be available for aerial eradication programs within Afghanistan absent formal request by the President of Afghanistan seeking such support.”<sup>236</sup> Although the committee reports are not actually part of the law itself, the appropriations committees treat the guidance they write in their reports as binding, and vigorously challenge any spending which is made in contradiction to the reports.

In addition to the laws and budgets passed by Congress, there is substantial room for committees, subcommittees and individual congressmen to advocate for policy change using hearings and formal statements. Several of the most prominent and significant committees and individuals who have actively attempted to influence U.S. counter-narcotic policy in Afghanistan are presented below. Additionally, one outside group of 182 aggregated Non-Governmental Organizations has vocally lobbied Congress and the Administration on the issue, and their position is included as an additional input to the overall policy environment.

- The House International Relations Committee: Has held Afghan counter-narcotics policy hearings before the full committee on 12 Feb 2004, 02 June 2004, 23 September 2004, and 17 March 2005. There is strong bi-partisan support to push for aggressive direct and indirect counter-narcotics activities.
- Congressman **Henry Hyde (R-IL)**, **Chairman** of the House International Relations Committee, has been the one of the most vocal advocates for increased counter-narcotics action by the U.S. He supports greater direct U.S. military action against processing labs and drug stockpiles, and has expressed support for aerial eradication. During the 17 March 2005 hearing before the IR Committee,

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<sup>235</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 39.

<sup>236</sup> CRS, *Afghanistan: Narcotics and U.S. Policy*. 26 May 2005, 38.



he stated during his opening remarks “the U.S. government has been AWOL too long in the fight against illicit drugs in Afghanistan”<sup>237</sup>

- Congressman **Tom Lantos** (D-CA), ranking House International Relations Committee Democrat, also strongly supports increased counter-narcotics action. In a 25 April 2005 press statement, he said:

[quote] We have been saying for years that strong counter-narcotics programs are also strong counter-terrorism programs. Unfortunately, the United States hesitated, while the growth of opium cultivation and heroin trafficking has exploded.... Finally, the Departments of Defense and State seem to be heeding our call...<sup>238</sup>

- Congressman **Dana Rohrabacher** (R-CA), member of the International Relations Committee, is a Central and South Asia expert, who has long paid attention to Afghanistan. He sponsors H.R. 1437, a bill “To eradicate the poppy plant in Afghanistan,” using a \$1 Billion USAID cash-for-work manual eradication program paying \$10 per day per worker. The bill is currently referred to the International Relations Committee.
- The House Committee on Government Reform Subcommittee on Criminal Justice, Drug Policy, and Human Resources has held numerous hearings on counter-narcotics in Afghanistan, and urges the DoD to more actively confront the issue. If DoD will not take more aggressive action, the committee supports re-directing funds to other willing and capable agencies.<sup>239</sup>
- Congressman **Mark Souder** (R-IN), **Chairman** of the House Government Reform Subcommittee on Criminal Justice, Drug Policy, and Human Resources, strongly favors increased direct action by DoD against stockpiled drugs, processing facilities, and precursor chemicals. He also raises the possibility of aerial as well as manual eradication. His subcommittee has oversight jurisdiction for all U.S. government drug control efforts, including international and interdiction programs.

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<sup>237</sup> Henry Hyde, Chairman, House Committee on International Relations, *Full Committee Opening Remarks*, “U.S. Counternarcotics Policy in Afghanistan: Time for Leadership,” 17 March 2005, [http://wwwc.house.gov/international\\_relations/109/hyde031705.htm](http://wwwc.house.gov/international_relations/109/hyde031705.htm), (accessed 05 Apr 05).

<sup>238</sup> Tom Lantos, Ranking Democrat, House Committee on International Relations Democratic Office, *Press Release*, 25 April 2005, [http://www.house.gov/international\\_relations\\_democratic/press\\_050425\\_Afghanistan\\_Narcotics.html](http://www.house.gov/international_relations_democratic/press_050425_Afghanistan_Narcotics.html), (accessed 27 May 2005).

<sup>239</sup> United States House of Representatives Committee on Government Relations Subcommittee on Criminal Justice, Drug Policy, and Human Resources, *Afghanistan Opium and Heroin Production Backgrounder*. Updated 18 May 2005. <http://reform.house.gov/GovReform/News/DocumentSingle.aspx?DocumentID=20305>, (accessed 22 September 2005).

- Congressman **Mark Kirk** (R-IL), member of the House Appropriations Subcommittee on Foreign Operations, Export Financing and Related Programs, (which has jurisdiction over DoS international narcotics control programs) assiduously follows counter-narcotics issues in Afghanistan, and has advocated for a stronger DoD role since at least January 2004. He has also spoken in support of aerial eradication as recently as January 2005.
- Senator **Richard Lugar** (R-IN), **Chairman** of the Foreign Relations Committee, held hearings in 2004 with numerous witnesses who warn of a possible Afghan narco-state. He has made joint statements with Senator Biden dating from October 2003 expressing concern over an Afghan narco-state [Reuters: web file] but has been silent since the summer, 2004.
- Senator **Joseph Biden, Jr.** (D-DE), Ranking Member of the Foreign Relations Committee and a co-Chair of the Senate Caucus on International Narcotics Control, expressed in a May '04 Foreign Relations hearing his desire to see a stronger focus on events in Afghanistan, specifically citing the risk of an Afghan narco-state. He also looked forward to having another Foreign Relations Committee on the subject, which never occurred. Senator Biden has been silent on the Afghan counter-narcotics issue since, including during Secretary Rice's confirmation.
- Outside Interest Groups: Twenty-nine individual NGOs plus two NGO associations (182 total), including CARE, Catholic Relief Services, the International Crisis Group, the Open Society Policy Center (George Soros), and Oxfam International, wrote to Secretary Rice in January 2005 to advocate prioritizing alternative livelihood and interdiction efforts over eradication. Copies were sent to Secretary Rumsfeld, Congressmen Hyde and Lantos, and others.<sup>240</sup>

As can be seen from this sampling, there are many powerful inputs and constraints on the counter-narcotics policy environment concerning Afghanistan, which is exactly as it should be under the Constitution. Quite often legislators frame the discussion in terms of the synergy between counter-terror and counter-narcotics efforts, which is an improvement over placing those two conceptual frameworks in opposition or as competing agendas. This policy framework could evolve further to more fully capture the understanding that the opiate economy funds a latent insurgency—latent in that the non-traditional commanders are not in fully violent opposition to the central government but that they are opposed to and do conduct small-scale violence against the central government, and they are through the opiate economy attempting to perpetuate the rural-

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<sup>240</sup> Letter from 187 Non-Governmental Organizations, untitled (subject: Alternative Livelihood and Interdiction vs. Eradication), 31 January 2005, [www.careusa.org/newsroom/pressreleases/2005/jan/CNLetterJan-31-05Final.pdf](http://www.careusa.org/newsroom/pressreleases/2005/jan/CNLetterJan-31-05Final.pdf), (accessed 05 June 2005).

state division which gives them the opportunity to exist. The illicit international funding of non-traditional groups needs to be understood as the foundation of a bifurcated rentier economy, similar in its functional effects to the funding which supported the ultimately successful anti-Soviet *mujahidin* groups.

### **C. SUMMARY OF THE EVOLUTION OF THE POLICY ENVIRONMENT**

Essentially at the time of the fall of the Taliban, the United States, the soon-to-be Afghan Interim Government and international community all declared that confronting the Afghan opiate economy would be a priority during the re-establishment and reconstitution of the Afghan government and economy. Within the Coalition, the United States was content to delegate the leadership for this task to the United Kingdom, and this fit particularly well with the U.S. DoD reluctance to get heavily or directly involved in a counter-narcotics effort—beyond division of labor, this was further justified through the conceptual and prioritized distinction between counter-terror and counter-narcotics activities. After some initial missteps in 2002 involving paying farmers for their eradicated poppy crops, the United Kingdom and Afghan authorities began to organize bureaucratic institutions and construct a patient, development-oriented approach to displacing the opiate economy from the rural social and economic fabric. By May 2003 the Afghan National Drug Control Strategy was published, providing a five-pillar framework for a coordinated and multi-faceted counter-narcotics approach. This was refined at the February 2004 International Counter-Narcotics Conference in Afghanistan when five action plans were developed to coordinate and implement the five pillars of the plan.

It became clear in 2003 that the opiate economy was expanding, and by the end of 2003 some members of the U.S. Congress began to pressure the U.S. State Department and the Defense Department to take stronger action. The State Department responded sooner, and began in February 2004 to push the United Kingdom and Afghan Transitional Authority to accelerate their counter-narcotics activities. By April 2004, the State Department pushed for aggressive centralized eradication versus relying on Governor-led eradication, and to de-link the coordinated implementation of Alternative Development and Eradication programs, claiming that deterring future cultivation was the utmost priority. The de-emphasis on Governor-led eradication marks a priority of

eradication over building central government authority over the governors and reciprocal relationships between the two levels of government, which indicates a lack of perspective for the historic cultural and rentier-state governance dynamics of Afghanistan. Prioritizing eradication led the United States to advocate focusing efforts on a few major-cultivating provinces where establishing central government jurisdiction is much more difficult, instead of expanding central government jurisdiction into a much larger number of small-cultivating provinces where the environment is more permissive. Focusing on eradication is also an argument for a rapid attack on the supply side of the opium commodity market, and the projected outcome (deterrence) is based only on the anticipated impact of eradication. Not accounted were the fact that the licit economy is underpinned by the illicit opiate economy, and additional influences on cultivation behavior such as opium indebtedness via *salaam* loans, the lack of viable economic alternatives for farmers, the fundamental market dynamic that the demand side of the commodity market will go unfulfilled, which leads to higher commodity prices and an increases stimulus for future cultivation. April 2004 also marked the establishment of the Central Poppy Eradication Force, at the request of the United States. During the summer of 2004, the Defense Department began to acknowledge that the opiate economy required more attention, and by late 2004 began substantial indirect support of counter-narcotics activities, including constructing Afghan police facilities, providing training, funding the establishment of DEA FAST teams, etc., but it assiduously avoided signing up for direct counter-narcotic action.

By the fall of 2004, the State Department developed a U.S. version of the Five-Pillar Plan, and it advocated a coordinated counter-narcotics effort which fit well with the approach developed by the British and Afghans, and well with the U.S. plan for stabilizing Afghanistan. Regardless of the philosophical design of the new plan, the State Department had achieved a level of exuberant urgency in their calls for drastic eradication measures, and this matched increasing pressure from Congress. The urgency resulted in sustained advocacy for aerial eradication from the fall of 2004 to January 2005, despite categorical opposition by the Afghan Government and, officially, the United Kingdom. Meanwhile, with the publication of the UNODC Afghanistan Opium Survey 2004 in November, pressure on the British and Afghans to pursue a much more

aggressive eradication campaign during the 2005 growing season became irresistible. The British decided to implement a much more aggressive, centralized eradication program which the United States had been calling for since early in 2004. This eradication program resulted in violent confrontations with rural populaces in southern Afghanistan, and overall, the centralized eradication program achieved very little eradication. In the face of the complications and a lack of success, the British were compelled by their own recently formed sense of urgency to use Afghan National Army troops to eradicate. By doing so, they stepped outside of the Afghan Interior Ministry—which was supposed to hold the counter-narcotics authority within the Afghan government—and outside the carefully constructed larger bureaucratic system within which structured coordination was to have shaped a patient, effective, and intentional campaign against the Afghan opiate economy. That system was embodied in the original Afghan Five-Pillar Plan and the subsequent action plans, and significantly improved and strengthened in the eight-pillar plan, published by President Karzai in February 2005, called the 1384 (2005) Counter-Narcotics Implementation Plan. In the summer of 2005, the U.S. State Department began to reconsider a governor-led eradication program, based on the dismal performance of the centralized eradication campaign. Unfortunately, the State Department's focus remains on achieving deterrence, and the perceived value of using the program to build central government authority and reciprocal relationships remains unacknowledged. Consistently since 2002, the U.S. Drug Enforcement Administration (DEA) has pursued interdiction operations against the trafficking portion of the opiate economy, and has in the past year significantly increased their operational capability, but still has only 24 personnel in country at a time. The United States Agency for International Development (USAID) has a very broad development plan for Afghanistan, only a portion of which is directly targeted to advance counter-narcotic policy interests. This is appropriate. USAID has also followed the State Department lead in focusing on high-cultivation areas. This is also appropriate, in that the USAID task is to facilitate growth of alternative economic options for opium farmers, and this task will take many years to achieve in high-cultivation areas—they need to focus on those areas now. They must also consider that poppy cultivation needs to be driven out of the low-cultivation provinces as well, and implement aid programs targeting these regions. From

a limited-budget USAID perspective, those regions may perceive that the way to gain USAID investment is to become a high-cultivation area, or they may be prompted to increase cultivation by traffickers as cultivation is displaced elsewhere. Using a medical analogy, preventive medicine is much less expensive than emergency/trauma intervention.

Two themes are central to the philosophical evolution of counter-narcotics policy *application* by the United States since early 2004, and by the United Kingdom since November 2004, and they both run contrary to the philosophical policy *development* trajectories of all parties. All major contributors to counter-narcotics policy had come to accept, on paper, the need for a broadly targeted, multi-faceted and coordinated counter-narcotics strategy which would produce results over a matter of years and gradually target both the trafficking and cultivation sides of the opiate economy. The United States and the United Kingdom each, in their own timeline, adopted positions to conduct counter-narcotics operations founded on: (1) a disproportionate focus on the cultivation side of the economy; and (2) on the desire to see a rapid collapse of cultivation. The mechanism to achieve this collapse was purported to be massive eradication, which would deter future cultivation, and the policy application occurred through the 2005 growing season.

If we consider the opiate economy within Afghanistan as a commodity market, which it is, then cultivation is the supply side and trafficking is the demand side of that market. By April 2004, the U.S. State Department decided to attack the supply side of a market without the tools being in place to simultaneously reduce demand to the degree that they claimed supply must be reduced. Market economics tells us that prices will rise with falling supply and constant demand, which will lead to increased future production to meet demand, and thereby approach equilibrium.

**D. DETERRENCE, ALTERNATIVE LIVELIHOOD INVESTMENT, OR MARKET ECONOMICS: WHAT ACCOUNTS FOR REDUCED CULTIVATION, AND WHAT ARE THE POLICY IMPLICATIONS?**

Cultivation for 2005 is expected to have decreased, which is a good thing from the perspective that (likely) there are fewer people trying to participate in the opiate economy, at least for this year. What causes such a decrease to occur? There are three

explanations for the decrease, and each serves as a foundation for policy approaches to achieve reduced cultivation. These explanations are that cultivation can be (or, was) deterred, induced as part of a reciprocal relationship founded on Alternative Livelihood investment, or that market economics drove the decrease.

Both the State Department and the retired British officer working in the Central Eradication Planning Cell believe in the concept of deterrence to achieve reduced cultivation. As indicated above, this approach in Afghanistan ignores the cultural dynamic of *salaam* loans which force production, the situational economics that some Afghans have access to small land parcels which are economically viable only with opium poppy cultivation and other job opportunities do not exist, and the general economic principle that demand (from traffickers) which goes unfulfilled will cause a rise in prices and increased future production to achieve equilibrium. In addition to these conceptual failures of the deterrence approach, we also find that deterrence to achieve reduced cultivation is not realizable in Afghanistan based on 2004 statements that eradicating roughly 23 percent of the crop across the country is sufficient to establish credibility and deter future growth. In 2005, the Central Poppy Eradication Force eradicated just 216 hectares, or an area equal to .165 percent of the 2004 cultivation area of 131,000 hectares, using UNODC estimates. Credibility was not established according to the standards of those who advocate deterrence as a means to reduce cultivation. Without resorting to extreme actions such as aerial eradication, it is difficult to see how credibility can be established. Even if it could be achieved, the counter-productive impacts of focusing on the cultivation side of the opiate economy are simply ignored by this approach, as its sole focus is to rapidly collapse the supply side of the market.

The second means to reduce cultivation is for the central government to engage in a reciprocal relationship with the rural *qawm* and the district and provincial leaders. In exchange for central government jurisdiction and compliance with the constitutional ban on narcotics production and trafficking, *qawm* and the district and provincial leaders would earn access to Alternative Livelihood and other development projects funded by the USAID, the United Kingdom, and other international donors. In terms of actually inducing compliance with the ban on cultivation, the case study of Nangarhar province provided evidence that that this reciprocal relationship was the motivation for

substantially reducing cultivation in that province for 2005. This was the reason given by the Governor of Nangarhar in July 2005 to explain Nangarhar's decreased cultivation this year, and the tribal elder Ghulam son of Mohammad, also from Nangarhar, expressed support for this idea in February 2004. So, if by way of example we take the Governor at his word, then Alternative Livelihood investment does induce a drop in cultivation. The tactical victory of a drop in cultivation is not the only value of Alternative Livelihood investment; the concept implies that a reciprocal relationship between the people and the government can achieve compliance with government laws, which is a strategic goal that brings us closer to what we are trying to achieve—moving the government from its traditional peripheral position in society to the center. The final advantage of Alternative Livelihood investment comes from the recognition that the opiate economy currently underpins the licit economy—Alternative Livelihood investment is essential to the task of creating a licit means for rural society to sustain itself, and until that happens the opiate economy will continue at least at some level. It is possible that the Governor's statements are not wholly genuine: another explanation might be that rural acceptance of Alternative Livelihood investment is the traditional extractive approach *qawm* and their leaders have taken with the central government, and poppy cultivation fell due to other motivations. This does not destroy the value of the Alternative Livelihood and infrastructure development programs however; their conditional nature is a means of exercising central government authority over the rural formal and informal power structures, and this interactive exercise of authority will build its own legitimacy in time. This has value even if in the near term this interaction does not fully explain or motivate decreases in opium poppy cultivation.

The third mechanism to explain and achieve reduced cultivation is the market. Opium is a commodity, and if demand for the product goes down, then ultimately so will supply. Demand can fall through two means; one, that traffickers require less product, and two, traffickers leave—or are removed from—the market. On the first means, the fact that early spring prices in 2005 remained similar to those for early spring 2004, at a time when the reduced output could have been anticipated, indicate that there is equilibrium in the market, i.e. the reduced supply will meet trafficker's demand for fresh opium. There is, however, a substitute for fresh opium gum to meet demand further



down the trafficking chain, and that is dried opium gum which is stockpiled by traffickers from previous years. Omar Zakhilwal, an Afghan expert who co-publishes with Barnett Rubin, conducted a survey in eastern Afghanistan assessing trading behavior through the 2004 season. Poor Afghan farmers generally sold off all of their opium gum harvest, while more affluent farmers stockpiled a third of their 2003 harvest and half of the 2004 harvest. Mid-level traders were stockpiling about 80 percent of the 2004 harvest for future sale.<sup>241</sup> Essentially, the market in eastern Afghanistan is becoming saturated with supply, which would produce a crash in prices if high levels of production continued. So, the reduced cultivation in Nangarhar may have resulted from market dynamics, and not a result of Alternative Livelihood investment and the expectation of a *reciprocal* relationship. (The rural population may still *expect* the Alternative Livelihood investment, once it is promised. Building a reciprocal relationship will, by definition, require continued investment by the government in its people). The market-based explanation for reduced cultivation, however, does not undermine the value of Alternative Livelihood investment in terms of building the infrastructure required for a licit economy.

The market-based explanation raises several concerns, but it also leads to a productive policy option. Of concern is that the market is more organized than is currently thought; this may develop through three mechanisms. The first is trafficker's control over portions of the rural populace. We already know that traffickers who extend *salaam* loans directly control a portion of cultivation behavior, and we know from the cultural analysis that the egalitarian and political-economic nature of the *qawm* and the competition to be *khan* provide the opportunity for traffickers to buy significant influence over *qawm* production choices. The fact that in the face of reduced cultivation prices remained stable should raise concerns that traffickers have achieved significant control over the poppy cultivating *qawm*. Second, it may be that the market has achieved some degree of cartelization, at least along ethnically-connected cultivation and trafficking lines—this too could result in a mechanism for price control/stabilization. There is some evidence of this regionally, as noted with the local strongmen limiting farmer's access to traffickers in Badakshan. Finally, corruption at the local and provincial levels has been

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<sup>241</sup> Barnett R. Rubin and Omar Zakhilwal, "A War on Drugs, Or a War on Farmers?," *Wall Street Journal*, 11 January 2005, Eastern Edition.

cited as a major problem by the State Department's 2005 INCSR. This may be explained by the traditional use of corruption by *qawm* to keep the government out of its affairs, or it may also be a systematized corruption in which the local and provincial leaders are directly shaping the Governor-led eradication to achieve market stabilization, not supply reduction. So the three concerns raised by traffickers, (1) that they have captured the loyalty of part of the population, (2) that they may be approaching limited cartelization, and (3) that they may have captured part of the local and provincial government institutions, all add to the general concern that traffickers establish the demand side of the market which induces cultivation in the first place. The solution to all of these problems is an aggressive campaign against the trafficking side of the opiate economy. Focusing on taking down the trafficking side of the opiate economy reduces demand for future cultivation, ultimately breaks the known and potential links traffickers (may) use to harness at least some rural *qawm*, will challenge the formation of a true cartel situation which could direct a more coordinated anti-government campaign, and breaks the ties with corrupted officials who would also be prosecuted. None of these achievements would be garnered by a focus on the cultivation side of the economy, which to date has been the overwhelming priority of U.S. State Department policy, and to a much greater degree that of the United Kingdom since November 2004.

## **V. COUNTER-NARCOTICS POLICY RECOMMENDATIONS AND AREAS FOR ADDITIONAL STUDY**

The major chapters of this thesis have developed concepts and lessons applicable to counter-narcotics policy in Afghanistan by analyzing (1) the relevant cultural and historic aspects of Afghan society; (2) the development and extent of the cultivation and trafficking portions of the Afghan opiate economy; and (3) the evolution of the counter-narcotics policies pursued by the post-Taliban Afghan government in all its forms, by the United Kingdom as lead nation for counter-narcotics, and by the various departments of the United States Government who shape and implement counter-narcotics efforts in Afghanistan. The following paragraphs will summarize those lessons and concepts, and lead to a new counter-narcotics policy prescription based on those lessons. Finally, some issues which need to be addressed and studied in future assessments are raised.

### **A. SIGNIFICANT CONCEPTS AND LESSONS FROM AFGHAN CULTURE, THE OPIATE ECONOMY, AND COUNTER-NARCOTICS POLICY**

#### **1. Lessons and Concepts from Afghan Culture**

There are several cultural and historic factors particular to Afghanistan which must be taken into account in developing counter-narcotics policy for that country. First is that individual identity and motivation for action is oriented to the *qawm* social unit, especially in rural and agricultural areas. *Qawm* at their most basic level of organization are highly village-centric, although some villages have several *qawm*, and there is some shared identity with closely related neighboring *qawm* which extends into tribal affiliations. Leadership within *qawm*, embodied in the position of *khan*, is typically established through a competition for earning loyalty based on patronage and redistribution of *qawm*-produced assets. This egalitarian political-economic model provides tremendous social resiliency in rural Afghanistan given its sparse resources, but historically has made the rural power structures difficult for the central government to engage, and now relatively easy for opiate trafficking networks to capture by providing economic resources from outside the *qawm* economic product to influence who becomes *khan*. Fixed hierarchical structures above the *qawm* typically do not exist, but developed within the tribes of the Durrani Pashtun confederation based on their historic relationship with and dominance within the central government. All *qawm* strive to keep government

interference out of the local *qawm* affairs; the Pashtun see its purpose as governing conquered non-Pashtun lands, and non-Pashtuns see it as an external imposition to be ignored or rejected. Keeping the government out of *qawm* affairs often involves bribes and corruption, which are seen as a legitimate cost of maintaining autonomy. *Qawm* also see the government as a source to extract wealth and influence from in order to advance *qawm* interests. This exclusion-extraction model does not build a reciprocal rural-state relationship, and government jurisdiction is often not recognized. Enforcement of poppy cultivation bans, without the consent of the *qawm*, can result in violent confrontation. This is especially true in Pashtun areas where the *pashtunwali* ethic demands protection of the *qawm*'s *namus*, or wealth, land and women. Eradication can be seen to attack the first two, and searches of homes will be seen as an attack on the third. In this manner, the opiate economy exacerbates historic rural-state tensions. These tensions have historically remained below the violence threshold based on three factors. First, the Afghan central government's status as a rentier state allowed the government to not extract significant resources from the rural *qawm*, or enforce excessive impositions on them. Second, the *qawm*-centric orientation of society allowed the central government to use political-economic mechanisms to fragment opposition into either manageable or ineffective resistance groups. Third, the government pursued social change only at very slow rates. Attempts to impose rapid social change on rural *qawm* produced the two violent coups against Afghan governments in the 20<sup>th</sup> century, the second being against the communist *Khalq* faction in 1978. Rapid restructuring of the rural economy using eradication to attack rural *qawm* farming communities who engage in opium poppy cultivation risks precisely this generalized backlash. The rural rebellion in 1978 initiated with resistance mounted by traditional *lashkar* militias, which are drawn from and protect the *qawm* in a manner highly similar to the minuteman model of the early American Revolution. These disparate *qawm* militias were united in purpose through Islam in *jihād*, initially against the Afghan communists and then against the Soviet occupation. The Soviets devastated the rural agriculture and economic structures which supported the *lashkars*. Aggressive eradication, particularly aerial eradication, will evoke memories of the helicopter-based Soviet destruction of the rural agricultural sector. Following destruction of the rural economic base, the armed resistance was entirely dependent on non-*qawm* economic,

military and agriculture/food resources. The massive external funding of the *mujahidin* resistance transformed certain aspects of the rural society in fundamental ways. First, aid was distributed by the Pakistani ISI to major resistance groups which formed along ethnic lines. This accelerated the crystallization of ethnic identity (a competitor to *qawm* identity) within rural Afghan society, which may have long-term implications for the Afghan government's ability to fragment resistance groups into manageable units, especially if political choice becomes highly correlated with ethnic identity. There is now strong evidence that this is happening. In addition to ethnic crystallization, the external funding of *mujahidin* groups created a new social unit—the non-traditional commander (typically termed warlord) and his non-*qawm* funded military, which now may number in the low thousands compared to *qawm lashkars* which may number in the few dozen. These non-traditional fighting groups were sustained primarily by internationally funded finance streams up until the Soviet withdrawal. Thereafter, several non-traditional commanders maintained their illicit armies through the opiate economy and tariff-evading smuggling of licit goods into Pakistan. What was created through the international funding of the *mujahidin*, and is now sustained through illicit international funding streams, is a *rural* branch of a rentier economic model for groups opposed to the central government. In this manner, a bifurcated rentier state has developed and exists in Afghanistan, with licit international support going to the Afghan central government, and illicit funding streams going to non-traditional armed groups who both by their nature and by their politics are staunchly opposed to a strong centralized government. This bifurcated economic model, with funding in the range of \$600 million per year, forced the Soviets to reach the decision to withdraw by 1987. In 2004, the trafficking of opiates from Afghanistan to the border regions of neighboring countries, i.e. the value estimated to be available to anti-government interests within Afghanistan, was estimated to be worth \$2.2 billion. A cultural and historic analysis of issues relevant to the opiate economy tells us that the Coalition in Afghanistan, whose goal is to stabilize the Afghan central government, is fighting a war of economies. The traffickers will try to drown interdiction through sufficient increased cultivation and production, and strangle the government through corruption and electing narco-sympathetic politicians to office. The government must try to drown the impact of opium money with rural investment and

economic alternatives, and strangle the opiate economy through trafficking interdiction and reduced cultivation. It is also a battle for the hearts and minds of the rural Afghan populace who historically do not like the central government, and have been hard for the government to engage. Attempts at rapid rural social re-engineering have resulted in successful anti-government *jihads*, and attacking the economic underpinning of a *qawm*, which is a political-economic entity, through an aggressive eradication campaign amounts to rapid social re-engineering. In the Coalition's favor, however is information derived from polls taken during and just before Afghan Presidential election, which show that the rural populace strongly despises the non-traditional commanders. They want the government to confront these illicit organizations, who are also trying to impose their priorities on rural *qawm* and who can manipulate inherent characteristics of the *qawm* to gain undue control over them. There is nothing in the cultural or historic background which precludes success in a counter-narcotics campaign designed to stabilize the central government and remove mortal threats to it, but there are plenty of pitfalls and landmines waiting to derail a careless effort to do so.

## **2. Lessons and Concepts from the Opiate Economy**

The opiate economy was analyzed in terms of its two halves, cultivation and trafficking. Cultivation tends to be tied much more directly to local *qawms*, and trafficking in general supports the non-*qawm*, non-traditional armed factions, although much of the trucking industry in Afghanistan and the bordering Pashtun areas of Pakistan are controlled by Pashtun tribal groups which are traditional and *qawm*-based units of social organization. Data used for analysis was taken from various UNODC annual and occasional reports because of their established track record, their access to a variety of information streams, and their openly and extensively documented methodology which offered valuable opportunities to understand the strengths and weaknesses of the data they present.

Five particular lessons were extracted from analyzing the cultivation side of the opiate economy. First, the aggregate area of cultivation has increased drastically since the mid-1990's; in 1997, 58,000 hectares were cultivated as compared to 131,000 hectares in 2004, with sharp increases experienced in 1999 and 2004. Second, cultivation expanded from just 18 provinces in 1999 to all 32 provinces in 2004, the first time that

had occurred.<sup>242</sup> The bulk of cultivation is still conducted in provinces where it is deeply entrenched in the rural economic fabric; the top three producing provinces, Hilmand (mostly Pashtun), Nangarhar (mostly Pashtun), and Badakshan (mostly Tajik) account for 56 percent of total cultivation area, with the next three largest producing provinces raising the total to 72 percent of the whole. The remaining 26 provinces account for only 28 percent of the cultivation area. In terms of social participation, across Afghanistan 14 percent of the rural population depends on income from poppy cultivation. In poppy-cultivating villages, on average one in three families participate, but this skyrockets to 80 percent participation in areas where cultivation is deeply entrenched, such as Nangarhar. These cultivation and participation patterns should guide our policy application; we should aggressively try to roll back the cultivation which has recently taken root and is not deeply entrenched in the 26 small-cultivation provinces—this will serve to limit the spread and entrenchment of trafficking networks in those areas, keep the electoral politics in those provinces free of opiate money, keep the local licit economies from being skewed by illicit funding sources, and foreclose the opportunity for cultivation area to bulge in those areas as it is squeezed in the historically high-cultivation areas. The third cultivation lesson is that where opium poppy is cultivated, many individual farmers are trapped into production due to the institution of *salaam* lending—this is where farmers are given cash (often by traffickers who have it) and must repay loans in opium gum. This system exists in large part because access to rural credit and banking sources is very limited. Fourth, poppy cultivation has severely impacted Afghanistan's ability to feed itself. In 2004, farmers reduced the area dedicated to cereal cultivation by 600,000 hectares. This occurred for two reasons. One, poppy cultivation is highly labor intensive; farmers reported in 2003 that they had difficulty harvesting licit crops such as wheat because labor had been absorbed by the opium poppy harvesting process. In 2004, they anticipated further labor shortages and decided to reduce cereal production. Next, the reduced-cereal decision was further motivated by anticipated larger profits from opium poppy cultivation based on the compared commodity prices and production costs of poppy and cereals. Drought in 2004 reduced the per-hectare productivity of both cereal and poppy cultivation, which resulted in lower-than-expected profit from poppy.

<sup>242</sup> The UNODC used the provincial boundaries present at the beginning of the year, when the UNODC started their analysis—subsequently, two provinces were subdivided, creating 34 total.

For cereals, the combined effects of reduced production and reduced cultivation area resulted in Afghanistan meeting only 66 percent of its cereal needs in 2004, as compared to meeting 97 percent of needs in 2003. As a result, international aid had to be diverted to meet short-term caloric needs instead of building long-term infrastructure improvements, and food aid which is dumped into the *qawm* political-economic structure can influence future agricultural decisions of the *qawm* as well as perturb the political-economic balance of the competition to be *khan* if it is not distributed correctly. The final lesson from the cultivation side of the opiate economy is that only about \$600 million of the estimated \$2.8 billion value of the whole opiate economy goes to cultivators. Most of that money is consumed in production costs. Due to *qawm* redistribution practices and expectations of the *qawm* members, most of the remaining funds are spent on *qawm* needs. Some is likely spent on corrupting local and perhaps provincial officials; this should be a central concern to the extent that cultivation earnings are present in every province, and having a majority of narco-sympathetic elected officials would be devastating to the democratic formation of Afghanistan. However, virtually none of the money is available to fund large-scale, organized anti-government interests—the money is spent at the most fragmented level of Afghan society and poses little threat to central governance. Overall policy lessons are that we should pursue a roll-back strategy and take note that the cultivators do not contribute significant funds to the anti-government non-traditional militias. Targeting the high-cultivation areas with eradication programs does not confront the most critical threats posed by the cultivation side of the opiate economy (a majority of corrupt elected officials) or the most critical threat of the overall opiate economy (the funding of anti-government non-traditional commanders and their militarized groups).

For the trafficking side of the opiate economy, five lessons are developed. First, the data available produce an aggregate picture that has far less certainty in it than the understanding of the cultivation side of the economy. This is in large part due to assumptions as to when opium gum is trafficked and therefore what price level pertains, as prices vary significantly through the year. Additionally, we do not know how much product is trafficked immediately and how much is stockpiled through the year and from year to year; for a lack of data, the assumption is that it is all trafficked in order to



determine the overall market value of any one year's product.<sup>243</sup> Next, we do not have strong data on how much product goes through each trafficking route, and therefore questions arise as to which set of regionalized price structures should be applied. In terms of producing a final hard number for market valuation, we cannot be sure our final number is a precise estimate. The second lesson, however, is that we know that the overall opiate economy value is huge, that it has been rising from year to year, that the trafficker's share of the opiate economy is much larger than the cultivator's share, and that the trafficker's share is growing to take a larger cut of the overall opiate economy. Third, we know that the price structures which traffickers encounter leave a large profit margin, especially when the opium gum is refined into morphine base and particularly heroin before it is trafficked across the border. This profit margin means that product which is not interdicted provides a large source of funding to anti-government interests—the trafficking side of the opiate economy contributes far more to non-traditional commanders and their illegal militarized organizations than the cultivation side of the opiate economy. Processing facilities can be targeted, and this greatly impacts the profit margin of trafficked product. The second and third lessons further emphasize the need to confront the trafficking side of the opiate economy. Fourth, we know that trafficking functions as the demand side of a commodity market within Afghanistan, and this should shape our policy considerations. If we strangle the demand side of a market, lower production will eventually follow just by market forces alone. Conversely, attacking the supply side of a market without proportionately decreasing the demand side will produce price increases in the commodity and motivate increased future production. Here we find another supporting argument to attack the trafficking side of the opiate economy instead of focusing the majority of our efforts on cultivation. The fifth and final lesson from trafficking price structures and practices are segmented by geographic area across the country, and these geographic breakdowns mirror the predominant ethnic divisions within Afghan society. This is typical of trading and smuggling operations world-wide, as trust relationships developed through ethnic connections facilitate licit and illicit

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<sup>243</sup> Opium gum has a long shelf life, and is used as a means to store value as there is not a rural banking system to accomplish this vital economic function. Also, traffickers want to time their sales to maximize profit; higher expected profits in future years will also motivate long-term holding.

activity. The regional price structures clearly indicate that the opiate economy as a whole is not cartelized, although that is less clear within each of the primary ethnically-based trafficking routes.

### **3. Lessons and Concepts from Counter-Narcotics Policy**

Lessons derived from policy analysis identified constraints to counter-narcotic policy imposed by the broader policy environment, as well as productive and counter-productive policy evolution on behalf of the major contributors to counter-narcotics policy in Afghanistan: the Afghan government in its several forms, the United Kingdom as lead nation for counter-narcotics, and the departments of the United States Government who shape and implement counter-narcotics efforts in Afghanistan.

There are several constraints to counter-narcotics policy which are resident in the broader policy environment. First, there is the unnecessary distinction of counter-terror vs. counter-narcotics priorities—the true priority is stabilizing the Afghan government. The conceptual framework of the division has been used with great effect by the U.S. Defense Department to initially avoid the counter-narcotics issue, and more recently to justify indirect support to counter-narcotics efforts instead of directly confronting the issue. Second, the existence of the bifurcated rentier economy which is similar to what funded the successful anti-Soviet *jihad* is not openly acknowledged or discussed, and it is clear that the trafficking portion of the opiate economy has become the substitute to funding non-traditional commanders and their illegal armies. It also has the capacity to produce funding similar to what defeated the Afghan central government and its international support during the anti-Soviet *jihad*. The issue of non-traditional commanders highlights the third complication, which is a lack of cultural specificity in the verbiage used to discuss and develop policy—typically these persons are called narco-terrorists, warlords or just commanders. *Lashkar* or *qawm*-based resistance to eradication and to interdiction-motivated searches of homes is too easily lumped into the narco-terrorist warlord category, and this has contributed to counter-productive policy applications which drive the rural populace away from trusting the central government. Next, the opiate economy underpins the licit economy of Afghanistan; any rush to rapidly dismantle this illicit economy risks collapsing the entire Afghan economy. This is a strong argument for a patient long-term approach which avoids the exuberant urgency

seen in recent policy developments. Ethnic crystallization is the fifth complication, and it applies to the broader policy environment as well as counter-narcotics policy. Specifically for counter-narcotics, it makes the Afghan government's ability to use non-confrontational approaches to fragment opposition harder to implement, there is the potential for [the perception of] ethnic bias to enter counter-narcotics implementation which would further exacerbate the crystallization, and the ethnic nature of trafficking may already be reinforcing this propensity towards ethnic division. Finally, regional power brokers may pursue their own policy interests which conflict with Coalition goals, and even attempt to harness the opiate economy specifically in their attempts to do so as it is a source of plausibly deniable funding which can be a far more cost-effective means to achieving their independent goals.

The evolution of policy for the essential contributors to counter-narcotic related activities in Afghanistan can be summarized as follows. Essentially at the time of the fall of the Taliban, the United States, the soon-to-be Afghan Interim Government and international community all declared that confronting the Afghan opiate economy would be a priority during the re-establishment and reconstitution of the Afghan government and economy. Within the Coalition, the United States was content to delegate the leadership for this task to the United Kingdom, and this fit particularly well with the U.S. DoD reluctance to get heavily or directly involved in a counter-narcotics effort—beyond division of labor, this was further justified through the conceptual and prioritized distinction between counter-terror and counter-narcotics activities. After some initial missteps in 2002 involving paying farmers for their eradicated poppy crops, the United Kingdom and Afghan authorities began to organize bureaucratic institutions and construct a patient, development-oriented approach to displacing the opiate economy from the rural social and economic fabric. By May 2003 the Afghan National Drug Control Strategy was published, providing a five-pillar framework for a coordinated and multi-faceted counter-narcotics approach. This was refined at the February 2004 International Counter-Narcotics Conference in Afghanistan when five action plans were developed to coordinate and implement the five pillars of the plan.

It became clear in 2003 that the opiate economy was expanding, and by the end of 2003 some members of the U.S. Congress began to pressure the U.S. State Department

and Defense Department to take stronger action. The State Department responded sooner, and began in February 2004 to push the United Kingdom and Afghan Transitional Authority to accelerate their counter-narcotic activities. By April 2004, the State Department pushed for aggressive centralized eradication versus relying on Governor-led eradication, and to de-link the coordinated implementation of Alternative Development and Eradication programs, claiming that deterring future cultivation was the utmost priority. The de-emphasis on Governor-led eradication marks a priority of eradication over building central government authority over the governors and reciprocal relationships between the two levels of government, which indicates a lack of perspective for the historic cultural and rentier-state governance dynamics of Afghanistan. Prioritizing eradication led the United States to advocate focusing efforts on a few major-cultivating provinces where establishing central government jurisdiction is much more difficult, instead of expanding central government jurisdiction into a much larger number of small-cultivating provinces where the environment is more permissive. Focusing on eradication is also an argument for a rapid attack on the supply side of the opium commodity market, and the projected outcome (deterrence) is based only on the anticipated impact of eradication. Not accounted were the fact that the licit economy is underpinned by the illicit opiate economy, and additional influences on cultivation behavior such as opium indebtedness via *salaam* loans, the lack of viable economic alternatives for farmers, the fundamental market dynamic that the demand side of the commodity market will go unfulfilled, which leads to higher commodity prices and an increases stimulus for future cultivation. April 2004 also marked the establishment of the Central Poppy Eradication Force, at the request of the United States. During the summer of 2004, the Defense Department began to acknowledge that the opiate economy required more attention, and by late 2004 began substantial indirect support of counter-narcotics activities, including constructing Afghan police facilities, providing training, funding the establishment of DEA FAST teams, etc., but it assiduously avoided signing up for direct counter-narcotic action.

By the fall of 2004, the State Department developed a U.S. version of the Five-Pillar Plan, and it advocated a coordinated counter-narcotics effort which fit well with the approach developed by the British and Afghans, and well with the U.S. plan for

stabilizing Afghanistan. Regardless of the philosophical design of the new plan, the State Department had achieved a level of exuberant urgency in their calls for drastic eradication measures, and this matched increasing pressure from Congress. The urgency resulted in sustained advocacy for aerial eradication from the fall of 2004 to January 2005, despite categorical opposition by the Afghan Government and, officially, the United Kingdom. Meanwhile, with the publication of the UNODC Afghanistan Opium Survey 2004 in November, pressure on the British and Afghans to pursue a much more aggressive eradication campaign during the 2005 growing season became irresistible. The British decided to implement a much more aggressive, centralized eradication program which the United States had been calling for since early in 2004. This eradication program resulted in violent confrontations with rural populaces in southern Afghanistan, and overall, the centralized eradication program achieved very little eradication. In the face of the complications and a lack of success, the British were compelled by their own recently formed sense of urgency to use Afghan National Army troops to eradicate. By doing so, they stepped outside of the Afghan Interior Ministry—which was supposed to hold the counter-narcotics authority within the Afghan government—and outside the carefully constructed larger bureaucratic system within which structured coordination was to have shaped a patient, effective, and intentional campaign against the Afghan opiate economy. That system was embodied in the original Afghan Five-Pillar Plan and the subsequent action plans, and significantly improved and strengthened in the eight-pillar plan, published by President Karzai in February 2005, called the 1384 (2005) Counter-Narcotics Implementation Plan. In the summer of 2005, the U.S. State Department began to reconsider a governor-led eradication program, based on the dismal performance of the centralized eradication campaign. Unfortunately, the State Department's focus remains on achieving deterrence, and the perceived value of using the program to build central government authority and reciprocal relationships remains unacknowledged. Consistently since 2002, the U.S. Drug Enforcement Administration (DEA) has pursued interdiction operations against the trafficking portion of the opiate economy, and has in the past year significantly increased their operational capability, but still has only 24 personnel in country at a time. The United States Agency for International Development (USAID) has a very broad development plan for

Afghanistan, only a portion of which is directly targeted to advance counter-narcotic policy interests. This is appropriate. USAID has also followed the State Department lead in focusing on high-cultivation areas. This is also appropriate, in that the USAID task is to facilitate growth of alternative economic options for opium farmers, and this task will take many years to achieve in high-cultivation areas—they need to focus on those areas now. They must also consider that poppy cultivation needs to be driven out of the low-cultivation provinces as well, and implement aid programs targeting these regions. From a limited-budget USAID perspective, those regions may perceive that the way to gain USAID investment is to become a high-cultivation area, or they may be prompted to increase cultivation by traffickers as cultivation is displaced elsewhere. Using a medical analogy, preventive medicine is much less expensive than emergency/trauma intervention.

Two themes are central to the philosophical evolution of counter-narcotics policy *application* by the United States since early 2004, and by the United Kingdom since November 2004, and they both run contrary to the philosophical policy *development* trajectories of all parties. All major contributors to counter-narcotics policy had come to accept, on paper, the need for a broadly targeted, multi-faceted and coordinated counter-narcotics strategy which would produce results over a matter of years and gradually target both the trafficking and cultivation sides of the opiate economy. The United States and the United Kingdom each, in their own timeline, adopted positions to conduct counter-narcotics operations founded on: (1) a disproportionate focus on the cultivation side of the economy; and (2) on the desire to see a rapid collapse of cultivation. The mechanism to achieve this collapse was purported to be massive eradication, which would deter future cultivation. The policy application occurred through the 2005 growing season. Estimates are that cultivation decreased in 2005, although the final UNODC numbers will not be published until October or November of 2005. A central question for future counter-narcotics policy development is what actually accounts for decreased cultivation in 2005, and what constitutes a productive policy approach to reduce future cultivation? Three approaches apply.

There is evidence from the UNODC Afghanistan Opium Rapid Assessment Survey 2005 which indicates that some farmers were deterred from cultivating in 2005

due to a fear of eradication. This matches statements from officials in the Central Eradication Planning Cell (CEPC) which described multiple pre-cultivation visits to traditionally high-cultivation areas to threaten eradication.

Both State Department and CEPC statements indicate that credibility is essential to sustaining deterrence, and the State Department's apparent standard based on 2004 statements is that eradicating roughly 23 percent of the crop across the country is sufficient to establish credibility and deter future growth. In 2005, the Central Poppy Eradication Force eradicated just 216 hectares, or an area equal to .165 percent of the 2004 cultivation area of 131,000 hectares, using UNODC estimates. Credibility was not established according to the standards of those who advocate deterrence as a means to reduce cultivation. Without resorting to extreme actions such as aerial eradication, it is difficult to see how credibility can be established. Even if it could be achieved, the counter-productive impacts of focusing on the cultivation side of the opiate economy are simply ignored by this approach, as its sole focus is to rapidly collapse the supply side of the market.

The second means to reduce cultivation is for the central government to engage in a reciprocal relationship with the rural *qawm* and the district and provincial leaders. In exchange for central government jurisdiction and compliance with the constitutional ban on narcotics production and trafficking, *qawm* and the district and provincial leaders would earn access to Alternative Livelihood and other development projects funded by the USAID, the United Kingdom, and other international donors. In terms of actually inducing compliance with the ban on cultivation, the case study of Nangarhar province (a major poppy cultivating province) provided evidence that that this reciprocal relationship was the motivation for substantially reducing cultivation in that province for 2005. This evidence is based on statements by the Governor and Deputy Governor stating this is why cultivation decreased; additionally the reciprocal relationship concept was strongly supported by tribal elders. It is possible that these statements are not wholly genuine: another explanation might be that is the traditional extractive approach *qawm* and their leaders have taken with the central government. This does not destroy the value of the Alternative Livelihood and infrastructure development programs however, as they are essential to creating the economic conditions necessary to substitute licit economic

product for what is currently produced by the opiate economy, and they are a means of exercising central government authority over the rural formal and informal power structures. This interactive exercise of authority will build its own legitimacy in time, and that has value even if in the near term this interaction does not fully explain or motivate decreases in opium poppy cultivation.

The third mechanism to explain and achieve reduced cultivation is the market. Opium is a commodity, and if demand for the product goes down, then ultimately so will supply. Demand can fall through two means; one, that traffickers require less product, and two, traffickers leave (or are removed from) the market. On the first means, we know that opium gum has a shelf life of many years at least, and that it has been used to store value in rural Afghanistan since there is no rural banking system. If persons who stockpile anticipate a glut in the market based on excess production and/or sales of stockpiled opium gum, they would have an interest in seeing production go down, at least for a year or perhaps two, until stockpiles are reduced. Research in Nangarhar indicates poor farmers sold all of their opium gum harvest, more affluent farmers stockpiled a third of their 2003 harvest and half of the 2004 harvest, and mid-level traders were holding about 80 percent of the 2004 harvest for future sale. In early 2005, it was known that cultivation was decreasing by perhaps 20 – 30 percent, yet prices for opium gum remained comparable to 2004 prices for the same period. This indicates demand decreased along with an expected decrease in supply. This could occur through uncoordinated market forces, or more ominously it could have resulted from coordinated action on behalf of traffickers. We know of the *salaam* loan system where traders and traffickers control farmer behavior directly. We also know that the *qawm* political-economic model is susceptible to being hijacked by non-*qawm* economic product to influence the competition for who becomes *khan*; traffickers have the motive and opportunity to essentially enslave and control *qawm* production. When we consider that we are trying to establish a new relationship between the central government and the rural society, this is a major problem which must be confronted. Every facet of the market-based explanation for achieving reduced cultivation indicates that the most productive means to do so is to aggressively attack the trafficking side of the opiate economy. This



is the same indication arrived at by analyzing other areas of concern to our counter-narcotics policy.

## **B. COUNTER-NARCOTICS POLICY PRESCRIPTION**

The next several paragraphs will outline the overall policy approach we should take to confront the opiate economy in Afghanistan, followed by specific recommendations for confronting cultivation, those for confronting trafficking, and finally some additional considerations for the future. The recommendations are primarily for shaping U.S. policy initiatives, but are also intended to help guide U.S. influence towards our Coalition partners on this policy concern.

### **1. The Broad Policy Framework for Counter-Narcotics**

The United States should return to a patient, coordinated and comprehensive approach which builds on the philosophy, bureaucratic coordinating mechanisms, and enforcement mechanisms established in the 1384 (2005) Counter-Narcotics Strategy of Afghanistan. This approach is present in the U.S. Five Pillar Plan, and it is entirely consistent with and reinforces every aspect of stabilizing the central government. Patience is necessary, as the licit Afghan economy is underpinned by the opiate economy; economic development must occur concurrently with dismantling the opiate economy, and this will take time and investment.

The United States should guard against the exuberant urgency for quick results. This bears repeating, as the United States simultaneously developed comprehensive-approach Five-Pillar plan *and* ignored its principles in advocating an overly aggressive eradication effort—this produced a violent rural backlash and insignificant eradication. Entirely abandon any support for aerial eradication. The fundamental error committed in U.S. policy is that it focused narrowly on “the chosen path” to confront (a portion of) the opiate economy, and lost sight of the goal of stabilizing the central government.

The United States should acknowledge the bifurcated rentier economy and understand the implication of its anti-Soviet *jihad* roots. We cannot ignore the fact that the opiate economy functions as a rural branch of a bifurcated rentier economy, funding organized anti-government interests who compete for control over portions of the rural populace. This economic model is a continuation of the model used to fund the successful anti-Soviet mujahidin, even funding the same non-traditional commanders, but

now using illicit funding sources which are likely able to achieve similar funding levels. This is justification to abandon the artificial counter-terror vs. counter-narcotics paradigm.

The United States should advocate a roll-back strategy to eliminate cultivation from all of the minor-cultivation provinces first. This is a 180 degree change from our current approach which prioritizes the major-cultivation provinces. With provincial and district elections being held in September 2005 and in the spring of 2006, the rural anti-government interests funded by the opiate economy have direct access to infiltrating and fundamentally corrupting the government through many offices. This strategy is feasible—in at least 26 of now 34 provinces opium cultivation is fairly new and not deeply entrenched in the rural social and economic fabric. Eliminating the cultivation now will be less costly than waiting for it to increase in those areas. As cultivation decreases in the major-cultivation provinces via Alternative Livelihood investment and other elements of the 1384 Plan, traffickers will be looking for alternative cultivation areas to provide opium; the first place they will look will be to ethnically similar low-cultivation areas in Afghanistan.

## **2. Confronting the Cultivation Side of the Opiate Economy**

The United States should commit itself to the Governor-led eradication strategy, and value it for what it is really worth. Historically the Afghan central government has been relegated to the periphery of society. Having the central government exercise authority over provincial governors, demanding accountability and building reciprocal relationships is an essential element to reversing the traditional view of the central government. Prioritize using the central government's Rapid Reaction Eradication Force in the minor-cultivation provinces where Governor-led eradication fails to support the roll-back strategy.

The United States should support using Alternative Livelihood investment and other development programs to establish reciprocal relationships between the central government and the provincial, district, and *qawm* power structures. The first desire is to inspire voluntary non-cultivation. The second is to establish an environment where Governor-led, and where necessary Rapid Reaction Eradication Force, eradication activity is more likely to be viewed as legitimate by the local *qawm*. We cannot

fundamentally redirect Alternative Livelihood investment over to the roll-back strategy; developing licit economic capacity in major-cultivation areas will take years, and much has been promised in some major-cultivation areas—the central government must carry through on these promises to maintain any credibility. Additional funding or careful redirection of funds will be needed to assist with the roll-back strategy. Significant development is needed in areas of rural credit and banking to displace *salaam* lending and opium gum stockpiling to store wealth. Some USAID investment is going to these needs, and those programs must be carefully watched to determine if they are sufficient.

We must remember we are dealing with market dynamics. As the roll-back strategy progresses, seeing cultivation increase slightly in major-cultivation areas as it is rolled back in minor-cultivation areas, while not desirable, is not necessarily a bad sign. Essentially this promotes a containment strategy: as trafficking interests meet demand in just a few provinces, the central government can consolidate its strength and firmly establish jurisdiction over a greater portion of the Afghan territory. Ethnically-based trafficking networks are less likely to expend great energy or resources fighting to maintain access to cultivation in rolled-back areas if they can fulfill demand through other ethnically related cultivating communities. Over time the increasing strength of the central government can be directed against an ever-smaller and contained cultivation and trafficking base.

Where eradication occurs, it should prioritize clearing irrigated fields, and preferably early enough in the growing season to allow farmers to replant the fields with cereal crops. In these cases, some effort should be dedicated to ensuring farmers have market access to purchase cereal crop seed (and micro-credit, if needed) to ensure the field is used productively. Interior Ministry interactions with the District Development Councils may be a productive mechanism to ensure this; otherwise the USAID interaction with the 8600 Community Development Councils may be used.

The USAID promotes alternative crops, including providing large amounts of seed. These market interventions must be monitored to ensure that assisted crops are not overproduced, leading to low farmgate prices. The USAID should have an emergency fund to buy up overproduction of assisted crops to stabilize market prices, and then adjust

crop assistance levels in future years accordingly. This is an essential aspect of confronting poppy cultivation, because our efforts to establish licit alternatives must be economically viable, otherwise farmers will return to illicit crops.

## **2. Confronting the Trafficking Side of the Opiate Economy**

The United States should advocate prioritizing efforts to dismantle the trafficking portion of the opiate economy. Interdiction should receive far more investment than it does currently. Rapid air mobility is currently a significant operational constraint, and every effort should be made to remove this obstacle now. This includes purchasing more helicopters (and training) for the Afghans to operate themselves, and greatly increased Defense Department support for these operations. This must be a Defense Department priority in Afghanistan.

Parts of the anti-trafficking effort should be directed to support the roll-back strategy. These are using Afghan law enforcement capabilities to prosecute corrupt officials, investigate and arrest local traffickers, and interdict bazaars where opiates are sold. Care must be taken to minimize needlessly violating *qawm* mores, e.g. *pashtunwali*. Fortunately, the fact that participation in opiate activity is much lower in these areas does leave more room for “accidents” to not precipitate massive revolts—these areas are an ideal training ground for new police units to learn to be effective in all respects. Law enforcement should also be used to take down any processing labs found in minor-production areas to maximize the evidentiary value of these sites and any associated arrests in order to develop leads which help to expunge trafficking network connections from minor-cultivation provinces. Using market principles, if there is essentially no local demand for opium gum, farmers will be much less likely to cultivate. This should be accompanied by an aggressive public information campaign in these areas emphasizing harsh penalties for traffickers and the reciprocal relationship expected to accompany local Alternative Livelihood and other development programs.

Parts of the anti-trafficking effort should be directed to country-wide interdiction. These include the Border Police and Highway Police. Afghan Counter-Narcotics Police, Afghan National Interdiction Unit, DEA FAST team and Afghan Special Narcotics Force interdiction capacity not exhausted in the roll-back campaign should focus on processing facilities in major-cultivation provinces and major trafficking movements such as the

heavily-armed 60-truck convoys described in Congressional testimony by DEA Director of Operations Michael Braun. The Highway Police should assist in these convoy interdictions, and the Defense Department should consider providing training and equipment to confront armed convoys. Focusing on these trafficking targets significantly degrades profitability, and moves many interdiction operations away from the village-*qawm* locale, which greatly reduces the likelihood of violating *pashtunwali* or other *qawm* mores and inciting wide-spread revolt.

Since much of the trucking industry in Afghanistan is consolidated within Pashtun tribes along the Pakistan border, interdicting their trucks which are carrying opiates unavoidably risks offending *pashtunwali*. We might borrow a Durrani governance technique and attempt to fragment that tribal industry along the lines of *qawm* who abstain from smuggling opiates and those who participate in the illicit activity. Extending contractual and tax-based favor to non-participating tribal groups, publicly heralding the honor they gain from living up to their agreements, etc. may be productive. Tax and customs breaks should also be allowed for licit goods moved on trucks owned and operated by compliant tribal trucking concerns, which would provide a huge market incentive as the licit portion of the Afghan economy grows. As in all counter-narcotics policy areas, this must be coordinated and approved by the Afghan central government, but particularly in this area we should ask for guidance.

An addition to country-wide interdiction is worth considering; that is using airborne military platforms to destroy processing facilities. The military justification for these attacks is that the trafficking portion of the opiate economy funds organized non-traditional militarized groups which are a fundamental threat to the Afghan central government. Currently, there is not enough law enforcement interdiction capability to interdict all of these labs, or courts to try all of the traffickers which could be arrested. Processing facilities have distinct heat signatures and can be observed using airborne surveillance assets. Especially if this effort is combined with Special Operations Forces observer teams, there is a very high capacity to interdict with a low chance of hitting innocent civilians. Areas where military targeting can occur should be coordinated with law enforcement to maximize interdiction effectiveness and to avoid destroying sites which may have exceptional evidentiary value. In areas where these operations are to

occur, we should consider a public information campaign, conducted for several months before commencement, to warn local villagers that processing facilities will be targeted. Mobile processing facilities have been observed, which makes law-enforcement interdiction even harder. This is not a problem when they are discovered as military targets of opportunity.

#### **4. Additional Considerations and a Look Ahead**

Several gaps in the available data must be addressed. The United States should strongly encourage the UNODC to resume collecting tribal and ethnic information about poppy-cultivating villages. This information will be invaluable to the roll-back strategy, as trafficking networks extend through ethnic connections. If in a minor-cultivating province there are multiple ethnic groups cultivating, and all but one or two ethnically related *qawm* are convinced to cease cultivating, those few *qawm* may be enough to keep trafficking connections alive in that area within that ethnic group. Extinguishing cultivation in all of the last few ethnically related *qawm* simultaneously will offer a better chance at roll-back success.

Data on stockpiling must be improved. The UNODC should undertake collecting information on stockpiling practices of farmers and where possible bazaar traders and traffickers. Wealthy farmers who sell off much of their stockpile may be a bellwether indicator for the market. This information is essential to estimating the true value of the opiate economy, and falling stockpile levels indicate we should anticipate market forces prompting increased cultivation.

Data on trafficking must be improved. Likely, much of the trafficking data is available in the law enforcement community. To the maximum extent possible, especially in the context of Afghanistan where numerous organizations outside of the law enforcement community are involved in counter-narcotics policy development, law enforcement data which is being protected to preserve its evidentiary usefulness should be regularly and frequently generalized and made available to the policy community. Elements of the Afghan Interior Ministry and Coalition counter-narcotics agencies should make this data available to the UNODC for inclusion in their annual assessment.

The United States and Coalition need to look at future cultivation, and consider how to interpret its meaning as it develops. In 1997, Afghan poppy cultivation was 58,000 hectares. 1998 cultivation increased 10 percent to 64,000 ha, followed by a 42 percent increase in 1999. Cultivation voluntarily dropped by 10 percent in 2000, and was followed by the “ban” on cultivation, but not trafficking, imposed by the Taliban in 2001. Many analysts believe this was an engineered market correction to advance profiteering interests, but the result was a sell-off of excess stockpile. By 2002, cultivation was 74,000 ha, followed by an 8 percent increase in 2003 to 80,000 ha, and then by a 64 percent increase in 2004. Currently, there is an expectation that cultivation has fallen by 20 to 30 percent in 2005. Even if this is followed by a continued decline in 2006 cultivation, we should not declare that we have turned the corner on defeating the Afghan opiate economy. What this likely indicates is that stockpiles are being cleared out, which is not the same as success. It is, however, a fantastic opportunity. In the ‘strangle and drown’ analogy of the fight against the opiate economy, the point in time when stockpiles have been reduced is equivalent to seeing the enemy exhale. We must prepare for that moment as it is the time to engage in an effective and dedicated trafficking strangulation campaign to finally kill this illicit economy. There will be powerful market forces from outside Afghanistan for Afghan opiates to keep moving—traffickers will not have the luxury of bedding down and riding out the interdiction onslaught. Strangulation is not a quick end however, and we must be committed to the fight for many more years and be willing to not let up. Preparing for that opportunity now is essential, and we are building the foundational interdiction capacity to achieve this victory, but much more work remains.

Law enforcement must develop so as to share information across all of Afghanistan; although the market is currently fragmented, as transportation infrastructure such as the Ring Road and its branches are developed, intra-Afghanistan trade volumes will increase, and with it trafficking of illicit goods will “hide” in the legitimate flows. Law enforcement must be prepared to pick up on this development and thwart it immediately. A robust information sharing program is also required in that even though ethnicities are concentrated in various regions, there are minority ethnic enclaves almost throughout Afghanistan. Just as itinerant workers move throughout the country spreading

their newfound opium poppy cultivating skills, they and others will continue to move across regions and some will spread criminal knowledge, techniques, etc. Information sharing and law enforcement coordination should also extend to neighboring countries, and the organizational infrastructure to do so already exists, at least to some degree, in the form of the Economic Cooperation Organization. This is a regional trading block anchored by Iran, but membership extends from Turkey, through Iran to Pakistan, and north through Turkmenistan, Uzbekistan, Tajikistan and Kazakhstan. Essentially, it covers all of the current opiate trafficking routes out of Afghanistan, and it already is highly focused on the problems of narcotics trafficking. International support should be (and is) directed at improving ECO law enforcement coordination capacity. Building up Afghanistan's domestic law enforcement ability will fill in a critical piece of the puzzle in the ECO combined ability to confront narcotics trafficking.

Finally, as was discussed earlier at great length, we do not know enough of the detailed workings of the business models used to move and exchange opiates. These networks must be infiltrated, shipments must be tracked, and business relationships mapped. Whether this is accomplished using Afghan law enforcement investigators trained specifically for this purpose or through rolling over existing traffickers to work as moles, or through other government agency expertise provided by the United States or other Enduring Freedom Coalition partners. Understanding the functioning business models is critical if we are to intercept shipments and take down established networks.

These efforts must begin or be accelerated as soon as possible, and where law enforcement does not have the capacity to address the situation, Enduring Freedom Coalition forces, working along side Afghan government forces when possible, must take on these actions as military operations, using military standards of conduct. With permission of the Afghan government, traffickers should be engaged as military targets, allowing air and ground strikes against processing facilities and movements in progress. Seizures of mobile capital such as trucks should be equated to disarming hostile forces. Storage facilities should be gutted of their illegal contraband, equipment therein should be destroyed, and the physical property turned over to the control of local leaders, with the admonition that the facility has been documented as a trafficking location, and subsequent inspections will be made. If it is found to be used for illicit operations, it will



be destroyed. Persons seized as traffickers will be turned over to Afghan military tribunals for prosecution, and maximum penalties should be limited to incarceration and/or fines.

Although many would shun taking on the responsibilities outlined above, it must be acknowledged that we have already done so; it is critical to U.S. interests that Afghanistan's central government coalesce to maintain effective governance throughout its territory, lest we be faced with a future al Qaeda or equivalent entrenched in a lawless land bordering one or more nuclear-armed states. To undertake a military campaign and fail to solve the problem, instead leaving the situation for our children to address again, would be morally weak, and could lead to reprehensible consequences.

### **C. CONCLUSIONS AND ADDITIONAL AREAS FOR STUDY**

Opiate production and trafficking in Afghanistan is a major problem which deserves and is receiving international attention and help. Addressing this problem requires that our long-term goals be kept at the forefront, namely strengthening the Afghan central government. Efforts to bankrupt the opium economy in Afghanistan must be guided by the knowledge that, in a country where central governance is a foreign concept, attacking a significant portion of the population under the auspices of the central government will be severely counterproductive. This is why our focus should be on deflating the profitability of the economy in order that farmers will choose to not participate on their own, a decision that they have already demonstrated they can make. This requires avoiding eradication campaigns, and instead reserving direct action for the trafficking side of the problem. This is the same model used successfully in Peru to disrupt coca cultivation in that country, which was fueling an insurgent movement against the government.

Among many further areas of study, this paper would benefit from incorporating lessons learned from other counter-narcotic successes and failures around the world. Briefly, one may argue that the Peruvian example, in which the Shining Path insurgency was successfully dismantled, is not similar to the Afghan problem in that the real victory came through the capture of the Shining Path's highly charismatic leader Abimael Guzman, not through attacking the trafficking networks which provided income to the group. The counter to this argument is the fact that no other anti-government movement

emerged in its place; by not attacking the populace, the government did not create its own new enemies. This is the pertinent lesson for Afghanistan.

Clearly, much more study is needed to understand the real workings of the trafficking side of the problem, and this may be available via classified resources. The results of such study would also be classified, but such study may shed light on the findings and recommendations of this paper, to either verify their appropriateness or indicate that other conclusions in the unclassified realm would actually be more appropriate.

As is acknowledged above, a comprehensive analysis of recent and current policy avenues and executed actions needs to be done in order to assess their impact on the opiate economy in Afghanistan.

Unfortunately, since the opiate economy in Afghanistan is such a massive and complex problem, there is ample time for continued meaningful research, analysis, and commentary as to what are the best courses of action. Hopefully, within the next decade, time for further analysis will run out as the problem is successfully addressed. It would then, of course, be time to start the analysis over again in order to draw applicable lessons for other counter-narcotic efforts.

## APPENDIX

### A. SELECTION OF INFORMATION FOR ANALYSIS

Chapter III relies on data produced by the United Nations Office on Drugs and Crime (UNODC), which has published the Afghanistan Opium Survey each year since 1994 (and since 2003, with the Afghan Government's assistance). The UNODC uses data collection methods ranging from extensive village, farm-field, and drug market surveys to satellite imagery. In 2004 they applied a new method (validated through testing since 2000) using on-site poppy plant analysis just before harvest to estimate the volume of opium gum being produced. In addition to the locations and area dedicated to cultivation, and the potential volumes produced, the UNODC collects information on the cost structures, cultivation practices, and social involvement to produce a somewhat complete analysis of the production side of the opium business. All of the UNODC data, the methodology for calculating that data, and their collection methods are unclassified and fully open to scrutiny; in fact, the 2004 version of the annual Afghanistan Opium Survey provided 30 pages of discussion and examples of how each class of data (area under cultivation, yield per hectare, processing efficiency for opium-to-heroin, etc.) are calculated. Additionally, each spring the UNODC publishes its *Farmer's Intentions Survey*, and in 2003 they produced a comprehensive data analysis titled *The Opium Economy in Afghanistan, An International Problem*.

An alternative source would be to use U.S. data provided in the International Narcotics Control Strategy Report (INCSR), and various Drug Enforcement Administration documents which are published on an occasional basis. I chose not to rely on this data for four reasons.

First, the UNODC data provides a much broader range of information than does the INCSR, especially in terms of particularly relevant variables, such as the regional breakdown of cultivation, price structures, and trafficking patterns. The INCSR provides essentially only country-wide estimates. Second, the INCSR provides a scant one-page summary of its methodology used in data collection and calculation. It states that calculations for cultivation area, derived from satellite imagery, is the most reliable, but

the rest of the numbers must be understood to be significantly less certain. Two primary causes for this uncertainty are given. The first is a common challenge for all scientific analysis of crop production, which is variability in annual local weather, soil conditions, farming techniques, and crop disease. The second is that “most illicit drug crop areas are not easily accessible to the United States Government”<sup>244</sup> for scientific analysis. The UNODC typically *has* had access to send survey teams throughout Afghanistan (and they explicitly note where and when they have not been able to survey) which means they can collect data on weather, soil conditions, disease, and farming techniques and apply this to the overall calculations. Through consistent presence, they also have the advantage of experience and can refine their methodology, which they do. One may suppose that U.S. interests did have access to Afghan poppy fields in 2004, but data collection methods are contained in the classified literature. So, we cannot verify that on-sight inspectors were present, nor the veracity of the methods which they would have used if they were present. By using a data set whose methodology is unclassified, we can critique the methodology. Lessons and insights gained from this can help improve not just future collection efforts (for the UNODC and perhaps the United States as well), but also serve to inform policy-makers as to the strength of the data they rely on.

The third reason to use 2004 UNODC numbers (published in November) is that a long-term comparison of UNODC and U.S. data for the area under opium poppy cultivation, what the INCSR purports to be its *most reliable* data, shows that the U.S. numbers experienced *tremendous volatility* in their 2004 results, as compared to UNODC values whose methodology we know and can track. Historically, the U.S. estimates have consistently been lower than UNODC estimates, as demonstrated in Table 5. In 2004, however, the U.S. estimate rocketed to a level nearly 158 percent of that given by the UNODC. Both sources use satellite data to inform their estimates, but we know that the UNODC also uses on-sight surveys to verify the interpretations of satellite imagery to ensure that what is interpreted to be fields of blooming poppies are actually fields of blooming poppies. It must be noted that, in 2001, all methodological assessments of

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<sup>244</sup> United States Department of State, Bureau for International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report, Volume I, Drug and Chemical Control*, March 2005. p. 23.

cultivation area were given an unprecedented challenge by the Taliban's cultivation ban, and that data for that year is acknowledged to be somewhat problematic.

Table 5. Afghanistan Opium Poppy Cultivation, 1997 – 2004 (Area in Hectares)

	2004	2003	2002	2001	2000	1999	1998	1997
UNODC	131,000	80,000	74,000	8,000	82,000	91,000	64,000	58,000
U.S.	206,700	61,000	30,750	1,685	64,510	51,500	41,720	39,150
U.S. as % of UNODC	157.8%	76.3%	41.6%	21.1%	78.7%	56.6%	65.2%	67.5%

The fourth reason for relying on UNODC data is that this is the data relied on by key U.S. government offices which provide information for policy analysis. The subject matter expert for Afghanistan in the State Department's Bureau of Intelligence and Research, who was interviewed while researching this thesis, stated that their office will note both U.S. and UNODC sources in their products but primarily rely on UNODC data for their best judgments. This expert also has career experience working for the Drug Enforcement Administration in intelligence collection matters.<sup>245</sup> Additionally, the Congressional Research Service Report, *Afghanistan: Narcotics and U.S. Policy*, which is updated several times per year, relies primarily on UNODC numbers, although they do note the U.S. numbers in footnotes and graphic/tabular comments.

It must be noted that UNODC changed its methodology to develop yield estimates for the 2004 report: now, surveyors go to farmer's fields throughout the country shortly before harvest and use standardized scientific methodology to determine the volumes of the poppy capsules to produce an estimate of the opium gum that will yield.<sup>246</sup> This is multiplied out to a yield-per-hectare factor and averaged across the country; for 2004 it was 32 kg/ha, (+/- 2.5). In previous years, yield estimates were "measured" by asking farmers, often before harvest, what they *expected* their fields would produce; in 2003 that figure was 45 kg/ha. Confidence in an *actual drop* in kg/ha (instead of attributing the drop to new measuring methodology) is increased based on the fact that farmers reported significant crop damage in all regions of the country except the north-eastern areas such

<sup>245</sup> Interview conducted at the State Department, Bureau of Intelligence and Research, 10 June 2005.

<sup>246</sup> UNODC, *Opium Survey 2004*, p. 99.

as Badakshan, where yields this year were measured to be 44.2 kg/ha (+/- 3.3),<sup>247</sup> levels similar to production estimates from previous years (using the old methodology) when crop damage was not significant.

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<sup>247</sup> UNODC, *Opium Survey 2004*, p. 53

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